

R. Smith

Comprehensive Annual Financial Report

DeKalb County, Georgia



Year Ended December 31



COMPREHENSIVE ANNUAL FINANCIAL REPORT

DEKALB COUNTY, GEORGIA

YEAR ENDED DECEMBER 31, 2004

Prepared by:
Department of Finance

DEKALB COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2004

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INTRODUCTORY SECTION

**LETTER OF TRANSMITTAL
CERTIFICATE OF ACHIEVEMENT
PRINCIPAL OFFICIALS
ORGANIZATIONAL CHART**





**DeKalb County, Georgia
1300 Commerce Drive, Decatur, Georgia 30030
(404) 371-2741 (404) 371-2750 FAX**

May 13, 2005

**Chief Executive Officer and Members
DeKalb County Board of Commissioners
DeKalb County, Georgia**

The Comprehensive Annual Financial Report (CAFR) of DeKalb County, Georgia, (the County) for the fiscal year ended December 31, 2004 is submitted herewith. This report is prepared in accordance with the requirements of the Act providing uniform standards for audits of municipalities and counties within the State of Georgia, approved April 21, 1967 (Ga. Laws 1967, p. 883) as amended by an Act approved March 28, 1968 (Ga. Laws 1968, p. 464).

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial statement is complete and reliable in all material respects.

The County's financial statements have been audited by KPMG, LLP licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2004, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2004, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair

presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

DeKalb County is an urban county providing a full range of services to 695,100 citizens. Included in these services are traditional county functions such as road maintenance and court-related activities, as well as a number of municipal services such as police, fire, solid waste collection and disposal, and water and sewer. There are nine incorporated municipalities within the County, including a portion of the City of Atlanta. Those municipalities comprise approximately 13% of the total population of the County, and provide services to their citizens in varying degrees. Selected County demographic information is provided in the statistical section of this report.

A 1981 Act of the General Assembly of Georgia provides for distinct executive and legislative branches of County government. The executive branch is headed by the elective position of Chief Executive Officer (CEO). The legislative branch is made up of the Board of Commissioners, composed of seven members, which elects from its membership a Presiding Officer and Deputy Presiding Officer. The CEO may preside at Board meetings and may vote in the event of a tie vote, except the CEO does not preside nor vote on zoning matters. The CEO has veto power, which may be overridden by a two-thirds majority vote of the Board of Commissioners. The Board of Commissioners has the power and authority to fix and establish, by appropriate resolution or ordinance (entered on its minutes), policies, rules and regulations governing all matters reserved to its jurisdiction. The CEO has exclusive power to supervise, direct and control the administration of the County government.

The financial statements, schedules, and statistical tables included in this report pertain to all functions and funds directly under the control of the DeKalb County CEO and Board of Commissioners. Also included are trust and agency funds administered and controlled by various elected or appointed officials, which are not reported upon by any other entity. The Board of Health and the Public Library are included as component units of the County. These component units are partially funded by the County, and derive significant funding from Federal and State grants and user fees. The Board of Health provides a broad range of physical health services, and the Public Library provides a wide range of information services. Both units ended the year in good financial positions.

Certain other entities are not included within the scope of this report. These exclusions consist of the DeKalb County Board of Education, the Fulton-DeKalb Hospital Authority, the DeKalb Board of Family and Children Services, the DeKalb Community Service Board, the DeKalb Housing Authority and the Development Authority of DeKalb County. These entities have not met the established criteria for inclusion in this report. However, any amounts appropriated for disbursement to these entities as well as any amounts for which the County has contractual liability have been included in the County's financial statements. The Fulton-DeKalb Hospital Authority is considered a joint venture between DeKalb County and Fulton County, Georgia, and summary financial information is provided in the notes to the financial statements.

Annual budgets are adopted by the Board of Commissioners each year for the General, Special Revenue and Debt Service Funds. The level of control (the level at which expenditures may not exceed appropriations) for each annual budget is the department level within each fund. Revenue and



appropriation adjustments may be made, when the Board of Commissioners approves property tax millage rates. Supplemental allocations can also be made by the Board of Commissioners from the County's General Fund contingency account to fund unforeseen expenditures within the County's Governmental Funds' departments. Individual departments are charged with operating within the scope of their allocated budget and intra-departmental transfers must be submitted for approval by the Finance Department and/or the Chief Executive Officer.

Factors Affecting Financial Condition

DeKalb County's overall financial position remains favorable. The County has enjoyed good economic health during the past few years. The County's annual unemployment rate of 5.2% for 2004 was below the national rate of 5.5%. In accordance with the Homestead Option Sales Tax, the County has granted a homestead exemption on operating levies of 100% from 1999 through 2001, and the exemption was 86.8%, 60.58% and 59.07% in 2002, 2003 and 2004, respectively. As a result of this exemption and other favorable conditions, the number of homestead properties in the County has increased from 125,000 in 1999 to 146,531 in 2004. New construction increased in 2004 by \$187,347,274, with over \$1,754,000,000 in construction value on building permits issued. Revenue from business related fees and taxes (hotel/motel, alcoholic beverage, business licenses and building permits) increased over \$1,976,000 during 2004 compared to 2003. At the end of 2004, the County's sales tax receipts increased by 4.1%.

DeKalb County is a mature County, which is mostly developed in many areas. The Atlanta metropolitan area, of which DeKalb is a part, serves as a center for banking, communications, transportation, accounting, insurance, and other services.

The 2004 budget continued the trend begun in 1991 to minimize the property tax burden on the citizens of the County. For 2004, there was an increase in the tax-supported budgets of 2.4%. The Fund Balance at year-end was \$21.4 million in the General Fund.

On March 20, 2001, the voters in the unincorporated areas approved a referendum to issue \$125,000,000 in Special Recreation Tax District General Obligation Bonds. These bonds were issued on October 11, 2001, and the proceeds are being used to acquire open space and park land (70%) and to improve and construct park and recreation facilities (30%).

In past years DeKalb relied heavily on the property tax as a primary revenue source as it did not have a local option sales tax. On March 18, 1997, the voters of the County approved a permanent one-percent Homestead Option Sales Tax, to be effective July 1, 1997. In 2004, 83% of this sales tax was used to reduce property taxes (in the form of an increased homestead exemption) collected for County operations (including General Government, Fire Protection, Hospital Services and Special District Services) from homestead properties. Local Sales Tax Revenues from July 1, 1997 through December 31, 1998 are being used for major capital projects throughout the County. \$13.7 million was dedicated to capital outlay (infrastructure) projects from HOST funds in 2004.

Cash management policies and practices.

The County maintains a pooled cash and investments account for most County funds. The County seeks to obtain market rates of return on its investments, consistent with constraints imposed by its safety objectives, cash flow considerations, and Georgia state laws. Safety of principal is the foremost objective. Competitive bids are required on all County investments. Tax anticipation notes were not issued in 2004.

Risk Management and Employee Services

DeKalb County has a Risk Management and Employee Services Division within its Finance Department. The focus of this office is to minimize loss to the County through data analysis and loss prevention programs, and to administer the County's surety, liability, and employee group insurance programs including workers' compensation. Although the number of workers' compensation claims increased from 1,013 in 2003 to 1,110 in 2004, the lost work days per 1,000 employees remains below national levels.

Pension and other post employment benefits.

The County sponsors a single-employer defined benefit pension plan for all County employees. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the County must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As of April 1, 2004, the date of the last actuarial report, the County's pension plan had funded 109.57% of the actuarial accrued liability of the plan.

The County currently offers to provide post employment health benefits for all retirees. These benefits are financed on a pay-as-you-go basis. As of December 31, 2004, GAAP does not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to DeKalb County for its comprehensive annual financial report for the fiscal year ended December 31, 2003. This was the 26th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report has been accomplished through the efficient and dedicated efforts of the entire staff of the Finance Department, particularly the Accounting Services Division, and through the cooperation of the various elected officials. The County has upgraded their Financial Management Information System to the state of the art technology, integrated with numerous other systems. This was performed by the dedication of a significant number of staff. I wish to express my sincere appreciation to everyone who contributed to the implementation, as well as the preparation of this report.

Respectfully submitted,

Michael J. Bell
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

DeKalb County,
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



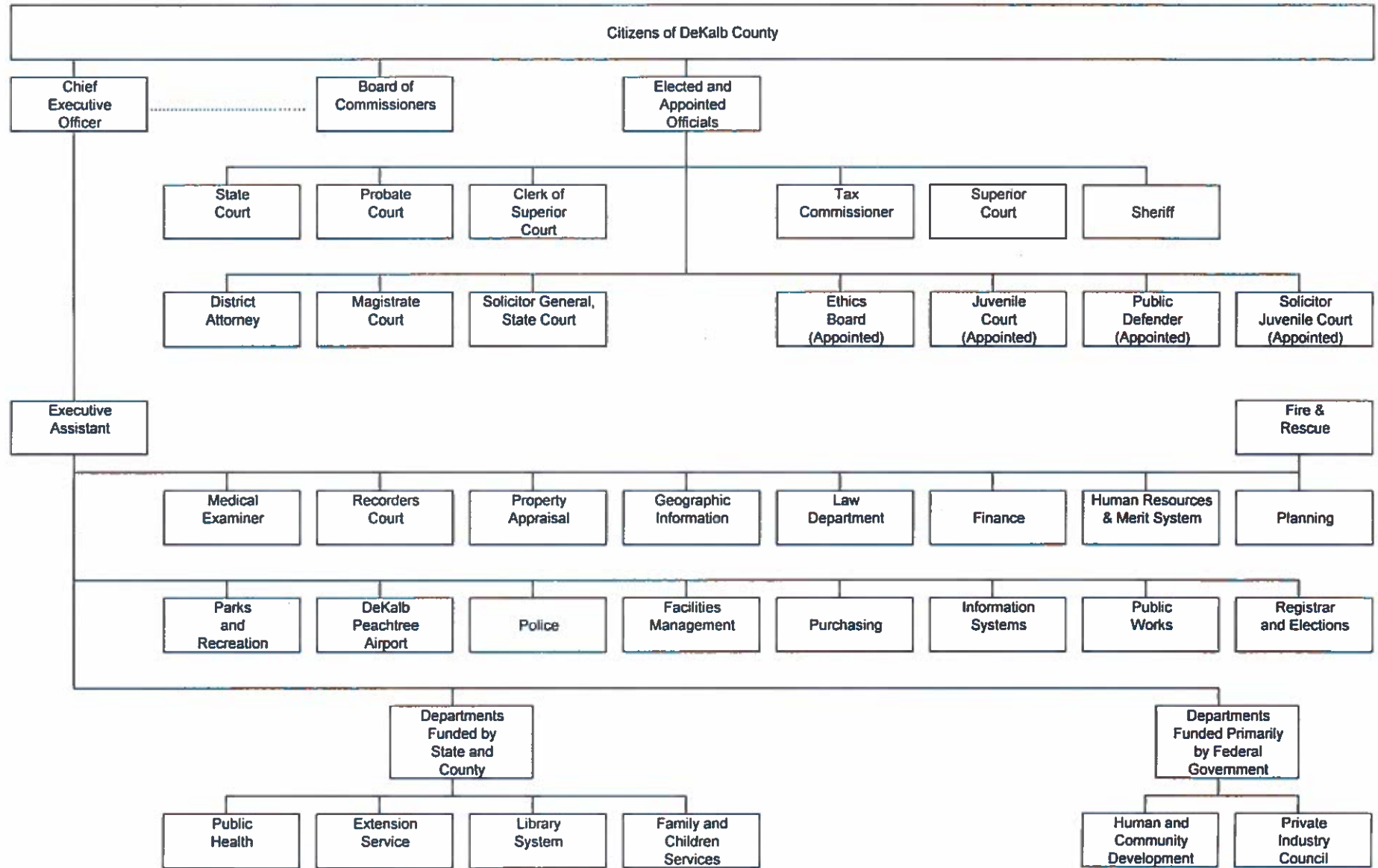
Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director

DeKalb County Organization



DeKalb County, Georgia

Chief Executive Officer

Vernon Jones

Board of Commissioners

Elaine C. Boyer
Gale A. Walldorff
Larry Johnson
Burrell Ellis, Presiding Officer
Henry C. "Hank" Johnson, Jr.
Judy A. Yates
Connie Stokes

District One
District Two
District Three
District Four
District Five
District Six
District Seven

Executive Assistant to Chief Executive
Officer and the Board of Commissioners

Richard A. Stogner

Department of Finance

Director
Assistant Director
Deputy Director for:
Treasury and Accounting Services
Budget and Grants
Internal Audit and Licensing
Risk Management and Employee Services

Michael J. Bell
Joel I. Gottlieb

Brenda Randolph
Russell W. Frankofsky
Eugene O'Mard
William R. Pickens





FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
BASIC FINANCIAL STATEMENTS





KPMG LLP
Suite 2000
303 Peachtree Street, NE
Atlanta, GA 30308

Independent Auditors' Report

Chief Executive Officer and Honorable Members
of the Board of Commissioners
DeKalb County, Georgia:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DeKalb County, Georgia (the County) as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the DeKalb County Board of Health, which represent 82% and 69%, respectively, of the assets and revenue of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the DeKalb County Board of Health, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DeKalb County, Georgia, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Special Tax District - Designated Services Fund and the Special Tax District - Unincorporated Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2005 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the schedule of funding progress, and the schedule of employer contributions on pages F2 through F11 and page F43, respectively, are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statements, and introductory and statistical sections listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

May 13, 2005

Management's Discussion and Analysis

As management of DeKalb County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2004.

Financial Highlights

The assets of the County exceeded its liabilities at the close of the fiscal year by \$1,656,762,000 (*net assets*). Of this amount, \$138,406,000 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.

The County's total net assets increased by \$64,391,000 during 2004. \$45,578,000 of the increase was due to business-type activities with the governmental funds experiencing an increase of \$18,813,000.

As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$206,694,000 a decrease of \$21,592,000 in comparison with the previous year.

At the close of the fiscal year, unreserved fund balance for the General Fund was \$19,793,000, or 8.9% of total general fund expenditures.

The County's total debt increased by \$25,550,000 (3.2%) during the current fiscal year. At the end of 2004, the County entered into a lease agreement with the DeKalb Public Safety and Judicial Facilities Authority to acquire, construct and equip several projects totaling \$50,000,000. This was offset by bond retirement.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, civil and criminal court system, planning, public works, community development, parks and recreation, health and welfare, and other miscellaneous activities. The business-type activities of the County include water and sewerage, sanitation, DeKalb-Peachtree Airport, and the stormwater utility, which began significant operations in 2004.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate Board of Health and the Public Library Board for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages F12-F13 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains forty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the special tax district designated services fund and the special tax district unincorporated fund, which are considered to be major funds. Data from the other thirty-seven funds are combined into a single aggregated presentation.

The basic governmental fund financial statements can be found on pages F14-F20 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses *enterprise funds* to account for its water and sewerage system fund, sanitation fund, DeKalb Peachtree Airport fund, and stormwater utility fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its vehicle maintenance fund, vehicle replacement fund, and risk management fund. Because the risk management fund predominantly benefits governmental activities rather than business-type functions, it has been included within governmental activities in the government-wide financial statements. Because the vehicle maintenance fund and vehicle replacement fund predominantly benefit business-type functions rather than governmental, they have been included within business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewerage system fund and the sanitation fund. The DeKalb Peachtree Airport fund and stormwater utility fund are combined into a single aggregated presentation. Conversely, all three internal service funds are combined into a single

aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages F21-F23 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages F24-F25 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages F28-F48 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$1,656,762,000 at the close of the fiscal year.

By far the largest portion of the County's net assets (85 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, equipment, etc.), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



DeKalb County's Net Assets
December 31, 2004 and 2003
(In thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$289,508	\$289,395	\$267,741	\$302,300	\$557,249	\$591,695
Capital assets	940,339	851,063	1,145,791	1,069,265	2,086,130	1,920,328
Total assets	\$1,229,847	1,140,458	1,413,532	1,371,565	2,643,379	2,512,023
Long-term liabilities	355,413	335,186	512,032	532,893	867,445	868,079
Other liabilities	75,867	25,518	43,305	26,055	119,172	51,573
Total liabilities	431,280	360,704	555,337	558,948	986,617	919,652
Net assets:						
Invested in capital assets, net of related debt	723,385	670,833	695,273	681,681	1,418,658	1,352,514
Restricted	41,118	57,533	58,580	49,015	99,698	106,548
Unrestricted	34,064	51,388	104,342	81,921	138,406	133,309
Total net assets	\$798,567	\$779,754	\$858,195	\$812,617	\$1,656,762	\$1,592,371

An additional portion of the County's net assets (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$138,406,000) may be used to meet the governments' ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The government's net assets increased by \$64,391,000 during the current fiscal year. Business-type activities increased by \$45,578,000 while governmental activities had an increase of \$18,813,000.

The most significant changes between 2003 and 2004 in both governmental activities and business-type activities relate to additions to capital assets and an increase in debt predominately related to those capital assets. See more explanation of the capital asset and long-term debt activity in later sections of this analysis.

DeKalb County's Changes in Net Assets
For the Years Ended December 31, 2004 and 2003
(In thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program revenues:						
Charges for services	\$94,421	\$90,929	\$193,626	\$175,670	\$288,047	\$266,599
Operating grants and contributions	17,901	24,165	-	-	17,901	24,165
Capital grants and contributions	28,250	30,969	17,875	7,602	46,125	38,571
General revenues:						
Property taxes	209,783	219,265	-	-	209,783	219,265
Sales taxes	85,365	81,684	-	-	85,365	81,684
Other taxes	77,728	66,502	-	-	77,728	66,502
Grants not restricted to specific programs	21,439	17,307	-	-	21,439	17,307
Other	21,139	6,332	2,286	3,079	23,425	9,411
Total revenues	556,026	537,153	213,787	186,351	769,813	723,504
Expenses:						
General government	66,013	67,434	-	-	66,013	67,434
Public safety	166,585	148,775	-	-	166,585	148,775
Civil and criminal court system	123,479	110,237	-	-	123,479	110,237
Planning	1,686	1,599	-	-	1,686	1,599
Public works	63,510	50,950	-	-	63,510	50,950
Community development	13,323	9,444	-	-	13,323	9,444
Parks and recreation	23,306	18,003	-	-	23,306	18,003
Library	11,699	11,286	-	-	11,699	11,286
Health and welfare	35,118	34,539	-	-	35,118	34,539
Miscellaneous	16,984	12,181	-	-	16,984	12,181
Interest on long-term debt	16,205	19,796	-	-	16,205	19,796
Water	-	-	53,187	48,421	53,187	48,421
Sewer	-	-	62,437	56,843	62,437	56,843
Stormwater Utility	-	-	5,038	597	5,038	597
Sanitation	-	-	44,037	43,896	44,037	43,896
Airport	-	-	2,815	2,657	2,815	2,657
Total expenses	537,908	484,244	167,514	152,414	705,422	636,658
Increase in net assets before transfers	18,118	52,909	46,273	33,937	64,391	86,846
Transfers	695	(610)	(695)	610	-	-
Increase in net assets	18,813	52,299	45,578	34,547	64,391	86,846
Net assets-beginning	779,754	727,455	812,617	778,070	1,592,371	1,505,525
Net assets-ending	\$798,567	\$779,754	\$858,195	\$812,617	\$1,656,762	\$1,592,371

Analysis of governmental activities.

Net assets of the governmental activities of the County increased by \$18,813,000 in 2004. Property taxes accounted for 38% of the governmental activities revenues, sales taxes accounted for 15%, and charges for services accounted for an additional 17%. Public safety expenses accounted for 31% of governmental activities expenses and were used for police, fire, and rescue services. The civil and criminal court system accounted for an additional 23% of the total expenses for governmental activities. General government expenses, which represented 12% of the total expenses for governmental activities, included the general administration of the County such as management of finances, information systems, human resources, and facilities management, as well as the executive and legislative functions of County government. Public works, which includes the management of roads, drainage, and transportation networks of the County, accounted for 12% of the total expenses of the governmental activities.

Charges for services increased in the areas of emergency management services and court fees. Property taxes declined primarily relating to reductions in the personal property digest. The personal property digest was affected by the slowing economic conditions and changes in exemption levels by State law.

Analysis of business-type activities.

Charges for services accounted for 91% of business-type activities revenues. Water expenses accounted for 32% of business-type activities expenses, sewer expenses accounted for 37%, sanitation services accounted for 26%, the Peachtree-DeKalb Airport accounted for 2% of expenses, and the Stormwater Utility program incurred expenses in 2004 for 3%.

Residential sanitation fees were increased effective July 1, 2002 from \$186 per annum to \$225 per annum. This fee remains one of the lowest fees in the metropolitan area. Furthermore, the billing of this fee has been transferred to the tax bill to improve the collection rate. In 2004, Sanitation expenses increased due to capital costs associated with the operation of the landfill and expansion of the new roll-off service.

Water & sewer metered rates were increased by 22 percent effective January 2005, but remain the lowest fees in the metropolitan area. Rates were last increased in 2002, and this recent increase supports a significant capital improvements program for the Water & Sewer Department. Operating expenses increased due to personnel expenses and cost of contracted services for expanded compliance inspections and rehabilitation of sewers.

Analysis of the County's Funds.

Governmental Funds

As noted earlier, the focus of the County's governmental fund statements is to provide information on near-term inflows, outflows, and balances of resources available to spend. In its general and special revenue funds, the County reported combined ending fund balances of \$47,640,000, an increase of \$666,000 over the prior year. Of this total fund balance for general and special revenue funds, \$44,910,000 is unreserved. Additionally, the governmental funds include the debt service and capital project funds with a total fund balance of \$159,054,000 which will be spent on outstanding debt and capital projects of the County.

At the end of the year, fund balance in the General Fund was \$21,401,000, representing a slight decrease of \$1,112,000 from the fund balance in the prior year. The decrease resulted from lower than anticipated revenues from personal property taxes.

The fund balance of the Special Tax District - Designated Services Fund at year-end was \$8,353,000 which represented an increase of \$3,204,000 from the prior year.

The Special Tax District – Unincorporated Fund had a decrease in fund balance of \$47,000 from the prior year to end the year with a fund balance of \$1,043,000.

Proprietary Funds

The County's proprietary funds report the activities of the water and sewer, sanitation, airport and stormwater utility services within the County and report the same level of activity, with an overall increase in net assets of \$49,549,000, as the business-type activities described earlier only in greater detail. The increase in net assets was predominately in the Water and Sewerage System which increased its net assets by \$21,843,000. The increase resulted from revenues which exceeded expenses of approximately \$15 million, which was consistent with the prior year, and infrastructure contributions from developers of \$6.3 million. The Sanitation Fund's net assets increased by \$15,819,000 as revenues exceeded expenditures for the year. Overall activity in the fund increased within the fund from the prior year, with revenue, primarily user charges increasing 11.2% and expenses, primarily operating charges, decreasing 7.4%. The new Stormwater Utility Fund was a major contributor to the change in net assets (\$11,887,000) of the other enterprise funds, as this was the first full year of operations.

Each of the funds has charges for its services as the major source of revenue within the fund with the expenses being predominately for salaries, employee benefits, and operating services and charges. Additionally, the Water and Sewerage System has significant expenses for interest on its long-term bonds and for depreciation of the capital assets of the system.

General Fund Budgetary Highlights

Sales tax receipts increased 4.1%. Property taxes decreased in the General Fund in 2004 as a result of a reduction in the personal property digest value. Investment income increased as interest rates steadily increased throughout the year. There were no significant changes between the original and final amended budgets. Actual results differed from the amended budget due to the following reasons. Expenses exceeded the budgeted amounts for only one department: Juvenile Court relating to attorney fees.

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of year-end, amounts to \$2,086,130,000 (net of accumulated depreciation). The investment in capital assets includes land, land improvements, buildings, plants, infrastructure, vehicles and portable equipment, other equipment, leaseholds, and construction in progress. Among the significant activity in 2004 was the County's acquisition of more than 253 acres of greenspace in 2004 and the acquisition of new police and fire & rescue headquarters.

The water & sewer system is nearing completion of the water treatment plant valued at \$155 million. Improvements to the landfill have also been undertaken. Readers should refer to note 7 of the financial statements for more information on capital asset activity.

Capital asset balances at year-end are as follows:

Capital Assets
December 31, 2004 and 2003
(In thousands of dollars, net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$201,516	\$177,753	\$41,669	\$40,620	\$243,185	\$218,373
Land improvements	15,443	16,026	42,572	44,296	58,015	60,322
Buildings	233,701	185,342	5,323	5,660	239,024	191,002
Plants	-	-	101,310	104,459	101,310	104,459
Infrastructure	404,542	384,578	431,093	421,941	835,635	806,519
Vehicles and portable equipment	-	-	37,668	50,509	37,668	50,509
Other equipment	19,574	21,887	41,841	41,103	61,415	62,990
Leaseholds	-	-	148,843	152,320	148,843	152,320
Construction in progress	65,563	65,477	295,472	208,357	361,035	273,834
Total	\$940,339	\$851,063	\$1,145,791	\$1,069,265	\$2,086,130	\$1,920,328

Debt Administration

DeKalb County's financial condition is demonstrated by the ratings of its bonds as of year-end:

	Moody's Investors Service	Standard and Poors
General Obligation	Aaa	AA+
Refunded General Obligation	Aaa	AAA
Water and Sewerage System Revenue	Aa2	AA
Refunded Water and Sewerage Revenue	Aaa	AAA
Certificates of Participation	Aa1	AA

Outstanding Debt at Year End
(In thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
General obligation bonds	\$234,500	\$250,345	-	-	\$234,500	\$250,345
Certificates of participation	24,525	25,000	-	-	24,525	25,000
Revenue bonds	64,420	15,000	\$497,815	\$505,365	562,235	520,365
Total	\$323,445	\$290,345	\$497,815	\$505,365	\$821,260	\$795,710

In 2001, the County's General Obligation debt was upgraded by Moody's to Aaa, and has maintained that rating since. Except for bonds, which are supported by bond insurance or other forms of credit enhancement, DeKalb County's ratings for 2004 are equal to or higher than those of all but three local governments in the State.

On a budget basis, \$18,213,000 of general obligation bonds were retired during the year. The County's gross principal amount, less debt retirement funds available on general obligation debt at year-end was \$221,318,000. The constitutional debt limit for general obligation bonds is 10% of the assessed value of taxable property within the County. Based on current gross assessed property values of \$22,330,000,000 the County's net outstanding debt of \$221,318,000 represented only 0.99 % of gross assessed property values.

In terms of bonded debt per capita, the net direct general obligation debt outstanding at year-end represented \$318.44 per capita compared to \$346.64 in the previous year. Total direct and overlapping debt applicable to the County at year-end was \$304,682,000 or \$438.33 per capita. This compares to last year's amount of \$464.17. Details of direct and overlapping debt and legal debt margin are contained in the Statistical Section of this report.

Readers should refer to note 8 of the financial statements for more information on long-term debt activity. The DeKalb Public Safety & Judicial Facilities Authority issued \$50 million in revenue bonds, on behalf of the County, to acquire, construct and equip new police and fire & rescue headquarters, as well as a public safety vehicle maintenance facility, police and fire stations and to complete the courthouse renovation. The County will make lease payments to the DeKalb Public Safety & Judicial Facilities Authority.

Economic Factors and Next Year's Budgets and Rates

In accordance with the Homestead Option Sales Tax legislation, the County may allocate up to 20 percent of the previous year's receipts to capital outlay projects. The 2004 Budget adopted by the County provided for the use of 16.8 percent, or \$13.745 million for capital outlay projects. As a result the Homestead Exemption decreased to 59.07 percent from 60.58 percent in 2003, as a result of growth in the number and value of homesteads.

The County governing body adopted a Stormwater Utility Program and fee in December 2002. This program has begun to address the County's needs in the area of stormwater collection and treatment. The fee will was first collected on the 2004 tax bill.

As a result of the Homestead Exemption of 100 percent in 1999 through 2001, and 86.8, 60.58 and 59.07 percent exemption in 2002, 2003 and 2004, respectively, and as a result of historically low home mortgage interest rates, the number of homestead properties in the County has increased from 125,000 in

1999 to 146,531 in 2004, or an increase of 17.2 percent. Population has increased from 610,000 in 1999 to 695,100 in 2004. This increase has impacted the need for services, especially, in the areas of public safety and the business-type activities (sanitation and water & sewer).

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, 1300 Commerce Drive, Decatur, GA 30030, 404-371-2741.

DeKalb County, Georgia
Statement of Net Assets
December 31, 2004
(in thousands of dollars)

	Primary Government			Component
	Governmental	Business-type	Total	Units
ASSETS	Activities	Activities		
Cash and cash equivalents	\$ 224,457	\$ 113,218	\$ 337,675	\$ 2,830
Investments	-	-	-	673
Accounts receivable (net)	5,562	34,566	40,128	1,738
Taxes receivable (net)	48,790	-	48,790	-
Due from other governments	6,858	1,331	8,189	2,145
Due from others	1,616	-	1,616	-
Inventories and prepaid items	578	3,533	4,111	68
Deferred bond issuance costs	1,647	10,123	11,770	-
Restricted assets:				
Cash and cash equivalents	-	104,970	104,970	343
Capital assets not being depreciated	267,079	337,141	604,220	-
Capital assets net of accumulated depreciation	673,260	808,650	1,481,910	1,861
Total assets	1,229,847	1,413,532	2,643,379	9,658
LIABILITIES				
Accounts payable	24,270	9,210	33,480	105
Claims and judgments payable	-	-	-	-
Accrued interest payable	3,524	-	3,524	-
Other accrued liabilities	10,137	2,265	12,402	-
Advanced payments and deposits	2,533	199	2,732	-
Due to other governments	726	2,189	2,915	1,265
Due to others	767	-	767	-
Deferred revenues	4,720	-	4,720	88
Liabilities payable from restricted assets:				
Accounts payable	-	4,196	4,196	-
Accrued interest on revenue bonds	-	6,199	6,199	-
Due to others	-	10,305	10,305	-
Noncurrent liabilities:				
Due within one year	29,190	8,742	37,932	34
Due in more than one year	355,413	512,032	867,445	1,445
Total liabilities	431,280	555,337	986,617	2,937
NET ASSETS				
Invested in capital assets, net of related debt	723,385	695,273	1,418,658	1,827
Restricted for debt service	9,662	7,747	17,409	-
Restricted for grants	372	-	372	343
Restricted for capital projects	31,084	50,833	81,917	-
Unrestricted	34,064	104,342	138,406	4,551
Total net assets	\$ 798,567	\$ 858,195	\$ 1,656,762	\$ 6,721

The notes to the financial statements are an integral part of this statement.

DeKalb County, Georgia
Statement of Activities
For the Year Ended December 31, 2004
(in thousands of dollars)

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	Component Units
Primary government:								
Governmental activities:								
General government	\$ 66,013	\$ 20,061	\$ 1,262	\$ 2,864	\$ (41,826)	\$ -	\$ (41,826)	\$ -
Public safety	166,585	20,859	1,985	143	(143,598)	-	(143,598)	-
Civil and criminal court system	123,479	37,319	699	-	(85,461)	-	(85,461)	-
Planning	1,686	207	-	-	(1,479)	-	(1,479)	-
Public works	63,510	12,681	-	24,438	(26,391)	-	(26,391)	-
Community development	13,323	-	11,578	-	(1,745)	-	(1,745)	-
Parks and recreation	23,306	3,233	207	805	(19,061)	-	(19,061)	-
Library	11,699	-	-	-	(11,699)	-	(11,699)	-
Health and welfare	35,118	61	2,151	-	(32,906)	-	(32,906)	-
Bond issuance expense	237	-	-	-	(237)	-	(237)	-
Miscellaneous	16,747	-	19	-	(16,728)	-	(16,728)	-
Interest on long-term debt	16,205	-	-	-	(16,205)	-	(16,205)	-
Total governmental activities	537,908	94,421	17,901	28,250	(397,336)	-	(397,336)	-
Business-type activities:								
Water	53,187	53,061	-	7,951	-	7,825	7,825	-
Sewer	62,437	62,289	-	9,334	-	9,186	9,186	-
Sanitation	44,037	58,405	-	-	-	14,368	14,368	-
DeKalb Peachtree Airport	2,815	3,178	-	590	-	953	953	-
Stormwater Utility	5,038	16,693	-	-	-	11,655	11,655	-
Total business-type activities	167,514	193,626	-	17,875	-	43,987	43,987	-
Total primary government	705,422	288,047	17,901	46,125	(397,336)	43,987	(353,349)	-
Component units:								
Board of health	29,006	6,059	16,401	-	-	-	-	(6,546)
Public library board	13,257	665	48	-	-	-	-	(12,544)
Total component units	\$ 42,263	\$ 6,724	\$ 16,449	\$ -	-	-	-	(19,090)
General revenues:								
Sales tax					85,365	-	85,365	-
Property tax					209,783	-	209,783	-
Motor vehicle tax					22,540	-	22,540	-
Hotel / motel tax					5,830	-	5,830	-
Alcoholic beverage tax					4,230	-	4,230	-
Insurance premium tax					26,321	-	26,321	-
Business license tax					18,807	-	18,807	-
Payments from primary government					-	-	-	16,470
Unrestricted investment earnings					2,326	2,286	4,612	11
Grants not restricted to specific purpose					21,439	-	21,439	1,114
Miscellaneous					18,813	-	18,813	2,040
Transfers					695	(695)	-	-
Total general revenues and transfers					416,149	1,591	417,740	19,635
Change in net assets					18,813	45,578	64,391	545
Net assets - beginning					779,754	812,617	1,592,371	6,176
Net assets - ending					\$ 798,567	\$ 858,195	\$ 1,656,762	\$ 6,721

The notes to the financial statements are an integral part of this statement.

DeKalb County, Georgia
Governmental Funds
Balance Sheet
December 31, 2004
(in thousands of dollars)

	General	Special Tax District - Designated Services	Special Tax District - Unincorporated	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 21,458	\$ 12,440	\$ -	\$ 181,797	\$ 215,695
Taxes receivable (net)	11,617	1,732	28,534	6,907	48,790
Accounts receivable (net)	3,840	3	-	1,719	5,562
Due from other governments	-	-	-	6,858	6,858
Due from other funds	8,597	1,423	-	-	10,020
Inventories and prepaid items	51	-	-	-	51
Total assets	45,563	15,598	28,534	197,281	286,976
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts and contracts payable	10,357	3,319	74	9,034	22,784
Other accrued liabilities	5,075	2,820	146	2,096	10,137
Advance payments and deposits	434	-	1,622	477	2,533
Due to other governments	-	-	345	381	726
Due to other funds	-	-	1,423	6,981	8,404
Due to others	437	-	-	330	767
Deferred revenue	7,859	1,106	23,881	2,085	34,931
Total liabilities	24,162	7,245	27,491	21,384	80,282
Fund balances:					
Reserved for encumbrances	1,557	902	10	21,747	24,216
Reserved for inventories and prepaid items	51	-	-	-	51
Unreserved, reported in:					
General fund	19,793	-	-	-	19,793
Special revenue funds	-	7,451	1,033	16,633	25,117
Debt service funds	-	-	-	13,186	13,186
Capital projects funds	-	-	-	124,331	124,331
Total fund balances	21,401	8,353	1,043	175,897	206,694
Total liabilities and fund balances	\$ 45,563	\$ 15,598	\$ 28,534	\$ 197,281	\$ 286,976

The notes to the financial statements are an integral part of this statement.

DeKalb County, Georgia
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Assets
(in thousands of dollars)

December 31, 2004

Total fund balances for governmental funds	\$ 206,694
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Total net assets reported for governmental activities in the Statement of Net Assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	940,339
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An internal service fund is used by management to charge the costs of risk management to individual funds. The assets and liabilities of the risk management fund have been allocated to the governmental activities on the Statement of Net Assets.	(4,671)
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Some of the County's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.	30,211
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Deferred bond issuance cost is not recognized as an asset in the governmental funds.	1,647
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Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the Statement of Net Assets.

Accrued interest on bonds	\$	(3,524)	
Contractual obligations payable		(8,293)	
Certificates of participation payable		(24,525)	
Bonds payable		(298,920)	
Unamortized premium on bonds payable		(6,278)	
Deferred loss on debt refunding		4,338	
Net pension obligation		(12,335)	
Compensated absences		(26,116)	
Total long-term liabilities		(375,653)	(375,653)

Total net assets of governmental activities	\$ 798,567
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The notes to the financial statements are an integral part of this statement.

DeKalb County, Georgia
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2004
(in thousands of dollars)

	General	Special Tax District - Designated Services	Special Tax District - Unincorporated	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 168,705	\$ 38,275	\$ 53,531	\$ 96,118	\$ 356,629
Licenses and permits	169	712	19,016	8,535	28,432
Use of money and property	288	-	155	2,024	2,467
Intergovernmental	13,679	3,148	-	30,297	47,124
Fines and forfeitures	14,891	-	15,990	2,793	33,674
Charges for services	28,740	2,469	-	15,577	46,786
Miscellaneous	5,392	52	-	2,088	7,532
Total revenues	<u>231,864</u>	<u>44,656</u>	<u>88,692</u>	<u>157,432</u>	<u>522,644</u>
EXPENDITURES					
Current:					
General government	53,045	-	1,024	6,128	60,197
Public safety	23,630	76,338	1,245	59,194	160,407
Civil and criminal court system	110,284	-	2,944	2,067	115,295
Planning	1,015	-	649	-	1,664
Public works	329	26,809	-	13,720	40,858
Community development	-	-	-	12,929	12,929
Parks and recreation	-	16,668	-	1,765	18,433
Library	11,004	-	-	-	11,004
Health and welfare	10,465	-	-	23,336	33,801
Miscellaneous	9,113	3,703	-	2,834	15,650
Debt service	2,467	-	-	27,347	29,814
Bonds issuance costs	-	-	-	237	237
Capital outlay:					
General government	-	-	-	14,410	14,410
Public safety	-	-	-	21,354	21,354
Civil and criminal court system	-	-	-	5,760	5,760
Public works	-	-	-	31,665	31,665
Community development	-	-	-	30	30
Parks and recreation	-	-	-	27,926	27,926
Library	-	-	-	225	225
Health and welfare	-	-	-	126	126
Other	-	-	-	21	21
Total expenditures	<u>221,352</u>	<u>123,518</u>	<u>5,862</u>	<u>251,074</u>	<u>601,806</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,512</u>	<u>(78,862)</u>	<u>82,830</u>	<u>(93,642)</u>	<u>(79,162)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issuance	-	-	-	50,000	50,000
Premium on bond issuance	-	-	-	579	579
Contractual purchase obligations	2,918	-	-	3,378	6,296
Transfers in	9,197	84,185	-	28,941	122,323
Transfers out	(23,739)	(2,119)	(82,877)	(12,893)	(121,628)
Total other financing sources (uses)	<u>(11,624)</u>	<u>82,066</u>	<u>(82,877)</u>	<u>70,005</u>	<u>57,570</u>
Net change in fund balance	<u>(1,112)</u>	<u>3,204</u>	<u>(47)</u>	<u>(23,637)</u>	<u>(21,592)</u>
Fund balance - beginning	<u>22,513</u>	<u>5,149</u>	<u>1,090</u>	<u>199,534</u>	<u>228,286</u>
Fund balance - ending	<u>\$ 21,401</u>	<u>\$ 8,353</u>	<u>\$ 1,043</u>	<u>\$ 175,897</u>	<u>\$ 206,694</u>

The notes to the financial statements are an integral part of this statement.

DeKalb County, Georgia
Reconciliation of the Statement of Revenues, Expenditures,
And Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2004
(amounts expressed in thousands)

Net change in fund balance - total governmental funds \$ (21,592)

The change in net assets reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$92,676, net of \$13,698 that was not capitalized due to capitalization thresholds) and donated infrastructure assets (\$23,834) exceeded depreciation (\$27,234) in the current period: 89,276

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Assets, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets. This adjustment combines the net changes of the following:

Bond sales	\$ (50,000)	
Premium on bond sales	(579)	
Bond issuance expense	483	
Repayments of bonds	16,900	
Amortization of bond issuance expense	(140)	
Amortization of premium on bond sales	719	
Amortization of loss on bond refunding	<u>(570)</u>	(33,187)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of the following:

Claims and judgments	\$ 500	
Net pension obligation	(12,335)	
Compensated absences	1,913	
Capital leases	(3,787)	
Accrued interest on bonds	<u>(2,185)</u>	(15,894)

Deferred revenue in governmental funds is susceptible to full accrual on the Statement of Activities. 3,254

An internal service fund is used by management to charge the costs of risk management to individual funds. The net revenue of the risk management fund is reported with governmental activities. (3,044)

Change in net assets of governmental activities \$ 18,813

The notes to the financial statements are an integral part of this statement.

DeKalb County, Georgia
General Fund

F18

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2004
Non-GAAP Budget Basis (in thousands of dollars)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:				
Property taxes	\$ 136,140	\$ 131,708	\$ 123,253	\$ (8,455)
Sales taxes	40,000	37,762	39,887	2,125
Other taxes	250	6,500	5,599	(901)
Licenses and permits	190	190	169	(21)
Intergovernmental	13,928	14,990	13,679	(1,311)
Charges for services	29,525	29,708	28,825	(883)
Fines and forfeitures	13,541	14,365	14,314	(51)
Investment income	68	60	328	268
Miscellaneous	3,320	3,037	5,392	2,355
Total revenues	236,962	238,320	231,446	(6,874)
Expenditures:				
Current:				
General government:				
Chief executive officer	1,768	1,768	1,628	(140)
Board of commissioners	1,046	1,046	841	(205)
Law department	2,874	2,874	2,577	(297)
Ethics	2	1	1	-
Geographic information system	1,759	1,759	(1,358)	(3,117)
Facilities management	11,636	11,636	10,249	(1,387)
Purchasing	3,222	3,222	2,975	(247)
Human resources and merit system	3,154	3,154	2,237	(917)
Office of Information systems	10,587	10,587	7,817	(2,770)
Finance	5,872	5,872	5,069	(803)
Property appraisal and assessments	4,636	4,636	4,335	(301)
Tax commissioner	6,117	6,115	5,876	(239)
Registrar and elections	3,586	5,204	4,226	(978)
Total general government	56,259	57,874	46,473	(11,401)
Public safety:				
Administration and communications	5,350	5,357	1,343	(4,014)
Animal control	2,109	2,107	2,041	(66)
Police	716	714	714	-
Fire and rescue services	14,826	14,826	14,060	(766)
Total public safety	23,001	23,004	18,158	(4,846)
Civil and criminal court system:				
Sheriff	61,656	61,600	59,342	(2,258)
Juvenile court	5,688	5,652	5,700	48
Superior court	7,668	7,626	6,918	(708)
Clerk superior court	4,333	4,333	4,036	(297)
State court	10,722	10,594	9,647	(947)
Solicitor state court	3,876	3,850	3,123	(727)
District attorney	8,422	8,414	7,927	(487)
Child advocate	677	677	593	(84)
Probate Court	1,496	1,496	1,414	(82)
Medical examiner	1,938	1,990	1,924	(66)
Public defender	5,997	5,947	5,169	(778)
Magistrate court	1,496	1,530	1,514	(16)
Total civil and criminal court system	113,969	113,709	107,307	(6,402)

(continued)

DeKalb County, Georgia
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2004
Non-GAAP Budget Basis (in thousands of dollars)
(continued)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Expenditures (continued):				
Current (continued):				
Planning	\$ 1,103	\$ 1,103	\$ 911	\$ (192)
Public works:				
Administration	314	314	300	(14)
Economic development	809	809	639	(170)
Total public works	1,123	1,123	939	(184)
Library system	11,468	11,468	10,943	(525)
Health and welfare:				
Public health	5,384	5,384	5,334	(50)
Community service board	2,239	2,239	2,239	-
Human and community development	797	797	797	-
Family and children services	2,073	2,073	1,980	(93)
Total health and welfare	10,493	10,493	10,350	(143)
Miscellaneous:				
Cooperative extension	1,112	1,112	1,055	(57)
Non-departmental	26,162	23,405	7,482	(15,923)
Total miscellaneous	27,274	24,517	8,537	(15,980)
Total expenditures	244,690	243,291	203,618	(39,673)
Excess (deficiency) of revenues over expenditures	(7,728)	(4,971)	27,828	32,799
Other financing sources (uses):				
Transfers in	9,619	9,219	9,197	(22)
Transfers out	(18,497)	(20,854)	(23,737)	(2,883)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(16,606)	(16,606)	13,288	29,894
Fund balance, beginning of year	16,606	16,606	16,606	-
Fund balance, end of year	\$ -	\$ -	29,894	\$ 29,894
Explanation of differences between budget and GAAP:				
Deficiency of revenues and other sources over expenditures and other uses - budget basis			13,288	
Differences - budget to GAAP:				
Due to revenues:				
Accrued receivables 12-31-2003			(7,189)	
Accrued receivables 12-31-2004			8,260	
Deferred revenues 12-31-2003			2,649	
Deferred revenues 12-31-2004			(3,302)	
Due to expenditures:				
Accrued payables 12-31-2003			4,437	
Accrued payables 12-31-2004			(13,451)	
Encumbrances 12-31-2003			(5,673)	
Due to inventory changes			(131)	
Net change in fund balance - GAAP basis			\$ (1,112)	

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2004
Non-GAAP Budget Basis (in thousands of dollars)

	Major Special Revenue Funds Special Tax District - Designated Services				Major Special Revenue Funds Special Tax District - Unincorporated			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:								
Property taxes	\$ 39,585	\$ 39,727	\$ 36,575	\$ (3,152)	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,700	1,700	1,750	50	20,600	20,600	21,119	519
Other taxes	-	-	-	-	29,925	29,925	32,389	2,464
Licenses and permits	500	500	712	212	18,406	18,621	19,016	395
Intergovernmental	-	3,249	3,148	(101)	-	-	-	-
Charges for services	3,088	3,415	2,469	(946)	215	-	-	-
Fines and forfeitures	-	-	-	-	13,454	13,454	15,990	2,536
Investment income	12	12	2	(10)	15	15	155	140
Miscellaneous	3,676	199	73	(126)	-	-	-	-
Total revenues	48,561	48,802	44,729	(4,073)	82,615	82,615	88,669	6,054
Expenditures:								
Current:								
General government:								
Chief executive officer	-	-	-	-	107	107	107	-
Finance	-	-	-	-	1,126	1,126	1,079	(47)
Total general government	-	-	-	-	1,233	1,233	1,186	(47)
Public safety:								
Police	79,586	77,655	75,159	(2,496)	-	-	-	-
Code enforcement	-	-	-	-	1,325	1,325	1,200	(125)
Total public safety	79,586	77,655	75,159	(2,496)	1,325	1,325	1,200	(125)
Civil and criminal court system - recorders court	-	-	-	-	3,317	3,317	2,886	(431)
Planning	-	-	-	-	737	737	647	(90)
Public works:								
Transportation	9,759	9,759	7,267	(2,492)	-	-	-	-
Roads and drainage	19,593	19,593	18,287	(1,306)	-	-	-	-
Total public works	29,352	29,352	25,554	(3,798)	-	-	-	-
Parks and recreation	17,701	17,833	16,235	(1,598)	-	-	-	-
Arts, culture, and entertainment	791	791	606	(185)	-	-	-	-
Miscellaneous	3,512	3,512	2,929	(583)	912	723	(171)	(894)
Total expenditures	130,942	129,143	120,483	(8,660)	7,524	7,335	5,748	(1,587)
Excess (deficiency) of revenues over expenditures	(82,381)	(80,341)	(75,754)	4,587	75,091	75,280	82,921	7,641
Other financing sources (uses):								
Transfers in	75,599	75,599	84,185	8,586	-	-	-	-
Transfers out	-	(2,040)	(2,119)	(79)	(75,599)	(75,788)	(82,877)	(7,089)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(6,782)	(6,782)	6,312	13,094	(508)	(508)	44	552
Fund balance, beginning of year	6,782	6,782	6,782	-	508	508	508	-
Fund balance, end of year	\$ -	\$ -	13,094	\$ 13,094	\$ -	\$ -	552	\$ 552
Explanation of differences between budget and GAAP:								
Deficiency of revenues and other sources over expenditures and other uses - budget basis			6,312				44	
Differences - budget to GAAP:								
Due to revenues:								
Accrued receivables 12-31-2003			(1,258)				(22,710)	
Accrued receivables 12-31-2004			1,505				24,544	
Deferred revenues 12-31-2003			785				22,070	
Deferred revenues 12-31-2004			(1,106)				(23,881)	
Due to expenditures:								
Accrued payables 12-31-2003			3,100				115	
Accrued payables 12-31-2004			(5,140)				(172)	
Encumbrances 12-31-2003			(994)				(57)	
Net change in fund balance - GAAP basis			\$ 3,204				\$ (47)	

The notes to the financial statements are an integral part of this statement.

DeKalb County, Georgia
Proprietary Funds Statement of Net Assets
December 31, 2004
(in thousands of dollars)

	Water and Sewerage System	Sanitation	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 10,283	\$ 42,441	\$ 14,186	\$ 66,910	\$ 55,070
Accounts receivable (net)	30,464	3,242	860	34,566	-
Due from other governments	872	-	459	1,331	-
Inventories and prepaid items	2,472	-	-	2,472	1,588
Restricted:					
Cash and cash equivalents	104,970	-	-	104,970	-
Total current assets	149,061	45,683	15,505	210,249	56,658
Noncurrent assets:					
Deferred bond issuance costs	10,123	-	-	10,123	-
Capital assets (net)	1,022,419	37,320	46,439	1,106,178	39,613
Total noncurrent assets	1,032,542	37,320	46,439	1,116,301	39,613
Total assets	1,181,603	83,003	61,944	1,326,550	96,271
LIABILITIES					
Current liabilities:					
Accounts payable	4,704	1,229	1,612	7,545	3,151
Claims and judgments payable, current portion	-	-	-	-	8,046
Obligation under capital leases, current portion	-	-	-	-	1,827
Other accrued liabilities	1,222	757	39	2,018	247
Advance payments and deposits	192	-	7	199	-
Due to other governments	2,189	-	-	2,189	-
Payable from restricted assets:					
Accounts payable	4,196	-	-	4,196	-
Revenue bonds payable, current portion	6,915	-	-	6,915	-
Accrued interest on revenue bonds	6,199	-	-	6,199	-
Due to others	10,305	-	-	10,305	-
Total current liabilities	35,922	1,986	1,658	39,566	13,271
Noncurrent liabilities:					
Claims and judgments payable, long term portion	-	-	-	-	4,428
Landfill closure and postclosure cost	-	15,283	-	15,283	-
Obligation under capital leases, long term portion	-	-	-	-	1,709
Compensated absences payable	2,789	1,528	94	4,411	569
Revenue bonds payable, long term portion	490,900	-	-	490,900	-
Unamortized premium on bonds payable	7,582	-	-	7,582	-
Deferred loss on debt refunding	(8,422)	-	-	(8,422)	-
Total noncurrent liabilities	492,849	16,811	94	509,754	6,706
Total liabilities	528,771	18,797	1,752	549,320	19,977
NET ASSETS					
Invested in capital assets, net of related debt	575,437	37,320	46,439	659,196	36,077
Restricted for debt service	7,747	-	-	7,747	-
Restricted for capital projects	50,833	-	-	50,833	-
Unrestricted	18,815	26,886	13,753	59,454	40,217
Total net assets	\$ 652,832	\$ 64,206	\$ 60,192	777,230	\$ 76,294
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				80,965	
Net assets of business-type activities				\$ 858,195	

The notes to the financial statements are an integral part of this statement.

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Fund Net Assets

For the Year Ended December 31, 2004

(In thousands of dollars)

	Water and Sewerage System	Sanitation	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating revenues:					
Metered sales	\$ 106,982	\$ -	\$ -	\$ 106,982	\$ -
Collection and disposal fees	-	57,111	-	57,111	-
Rental fees	-	-	3,177	3,177	-
Intergovernmental	-	-	-	-	71
Charges for services	-	-	16,693	16,693	103,076
Miscellaneous	8,368	1,294	1	9,663	273
Total operating revenues	115,350	58,405	19,871	193,626	103,420
Operating expenses:					
Salaries and employee benefits	35,840	22,263	1,122	59,225	7,065
Supplies	11,635	1,485	1,119	14,239	10,723
Operating services and charges	20,485	16,411	5,039	41,935	69,050
Leasehold operating expenses	11,987	-	-	11,987	-
Miscellaneous	980	674	-	1,654	386
Depreciation and amortization	24,694	2,147	505	27,346	20,784
Labor, overhead, and vehicle charges capitalized	(5,391)	-	-	(5,391)	-
Total operating expenses	100,230	42,980	7,785	150,995	108,008
Operating income (loss)	15,120	15,425	12,086	42,631	(4,588)
Nonoperating revenues (expenses)					
Interest income	1,806	394	86	2,286	378
Interest expense	(12,618)	-	-	(12,618)	(172)
Loss on sale of capital assets	-	-	-	-	(2,563)
Income (loss) before capital donations and transfers	4,308	15,819	12,172	32,299	(6,945)
Capital donations	17,285	-	590	17,875	-
Transfers in	250	-	-	250	-
Transfers out	-	-	(875)	(875)	(70)
Change in net assets	21,843	15,819	11,887	49,549	(7,015)
Net assets - beginning	630,989	48,387	48,305		83,309
Net assets - ending	\$ 652,832	\$ 64,206	\$ 60,192		\$ 76,294
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(3,971)	
Change in net assets of business-type activities				\$ 45,578	

The notes to the financial statements are an integral part of this statement.

DeKalb County, Georgia
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2004
(In thousands of dollars)

	Water and Sewerage System	Sanitation	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 101,293	\$ 54,132	\$ 19,162	\$ 174,587	\$ 103,420
Cash payments to suppliers for goods and services	(35,152)	(19,889)	(5,060)	(60,101)	(75,805)
Cash payments to employees for services	(35,572)	(22,318)	(1,117)	(59,007)	(7,107)
Other operating revenues	8,201	1,122	1	9,324	-
Net cash provided by operating activities	38,770	13,047	12,986	64,803	20,508
Cash flows from noncapital financing activities:					
Transfers (to) / from other funds	250	-	(875)	(625)	(70)
Net cash provided (required) by noncapital financing activities	250	-	(875)	(625)	(70)
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(94,267)	(3,543)	(1,507)	(99,317)	(11,003)
Proceeds from sale of capital assets	-	-	-	-	798
Principal and interest paid on revenue bonds	(31,500)	-	-	(31,500)	-
Payments on leases	(48)	-	-	(48)	(2,348)
Increase in escrow deposits	365	-	-	365	-
Capital donations	10,985	-	415	11,400	-
Net cash required by capital and related financing activities	(114,465)	(3,543)	(1,092)	(119,100)	(12,553)
Cash flows from investing activities:					
Interest on investments	1,806	394	88	2,288	378
Net cash provided by investing activities	1,806	394	88	2,288	378
Net increase (decrease) in cash and cash equivalents	(73,639)	9,898	3,079	(60,662)	8,263
Cash and cash equivalents at beginning of year	188,892	32,543	11,107	232,542	46,807
Cash and cash equivalents at end of year	115,253	42,441	14,186	171,880	55,070
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	15,120	15,425	12,086	42,631	(4,588)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	24,694	2,147	505	27,346	20,784
Change in assets and liabilities:					
(Increase) decrease in receivables	(5,639)	(3,151)	(643)	(9,433)	-
(Increase) decrease in inventories	(283)	-	-	(283)	(111)
Increase (decrease) in payables	4,562	(1,531)	1,031	4,062	4,371
Increase (decrease) in other liabilities	305	157	5	467	52
Increase (decrease) in advance deposits	11	-	2	13	-
Net cash provided by operating activities	38,770	13,047	12,986	64,803	20,508
Noncash capital donations	\$ 6,300	\$ -	\$ 590	\$ 6,890	\$ -

The notes to the financial statements are an integral part of this statement.

DeKalb County, Georgia
Fiduciary Funds
Statement of Fiduciary Net Assets
December 31, 2004
(in thousands of dollars)

	General Employees' Pension	Agency Funds
<u>ASSETS</u>		
Cash and cash equivalents	\$ 103,126	\$ 28,660
Investments:		-
US Government Securities	152,045	-
Collateralized mortgage obligations	38,012	-
Corporate Bonds	102,998	-
Corporate Stocks	729,962	-
Accrued interest receivable	3,537	-
Taxes receivable	-	26,903
Due from others	5,229	
Total assets	<u>1,134,909</u>	<u>55,563</u>
<u>LIABILITIES</u>		
Accounts payable	531	-
Due to other funds	1,616	-
Due to others	123	55,563
Total liabilities	<u>2,270</u>	<u>\$ 55,563</u>
<u>NET ASSETS</u>		
Held in trust for pension benefits and other purposes (see Note 9E)	<u>\$ 1,132,639</u>	

The notes to the financial statement are an integral part of this statement.

DeKalb County, Georgia

Fiduciary Funds

Statement of Changes in Fiduciary Net Assets

For the Year Ended December 31, 2004
(in thousands of dollars)

	General Employees' Pension
Additions:	
Contributions:	
Employer	\$ 1,320
Employee	1,385
Other	72
Total contributions	<u>2,777</u>
Investment earnings:	
Dividends and interest	27,551
Net increase in fair market value of investments	71,958
Total investment earnings	<u>99,509</u>
Less investment expense	<u>(4,120)</u>
Net investment earnings	<u>95,389</u>
Total additions	<u>98,166</u>
Deductions:	
Benefit payments	51,561
Refunds of contributions	235
Administrative expenses	<u>325</u>
Total Deductions	<u>52,121</u>
Change in net assets	46,045
Net assets, beginning of year	<u>1,086,594</u>
Net assets, end of year	<u>\$ 1,132,639</u>

The notes to the financial statement are an integral part of this statement.

DeKalb County, Georgia

Component Units

Statement of Net Assets

December 31, 2004
(In thousands of dollars)

	Board of Health	Public Library Board	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,310	\$ 520	\$ 2,830
Cash and cash equivalents, restricted	343	-	343
Investments	-	673	673
Accounts receivable (net)	1,712	26	1,738
Due from other governments	2,145	-	2,145
Prepaid items	68	-	68
Capital assets (net)	1,380	481	1,861
Total assets	<u>7,958</u>	<u>1,700</u>	<u>9,658</u>
<u>LIABILITIES</u>			
Accounts and contracts payable	1	104	105
Due to other governments	1,265	-	1,265
Deferred revenue	88	-	88
Noncurrent liabilities:			
Due within one year	-	34	34
Due in more than one year	1,445	-	1,445
Total liabilities	<u>2,799</u>	<u>138</u>	<u>2,937</u>
<u>NET ASSETS</u>			
Invested in capital assets (net of related debt)	1,380	447	1,827
Restricted	343	-	343
Unrestricted	3,436	1,115	4,551
Total net assets	<u>\$ 5,159</u>	<u>\$ 1,562</u>	<u>\$ 6,721</u>

The notes to the financial statements are an integral part of this statement.

DeKalb County, Georgia

Component Units

Statement of Activities

Year Ended December 31, 2004

(In thousands of dollars)

				Net (Expense) Revenue and Changes in Net Assets		
		Program Revenues		Public		
	Expenses	Charges for Services	Operating Grants and Contributions	Board of Health	Library Board	Total
Board of Health	\$ 29,006	\$ 6,059	\$ 16,401	\$ (6,546)	\$ -	\$ (6,546)
Public Library Board	13,257	665	48	-	(12,544)	(12,544)
Total component units	<u>\$ 42,263</u>	<u>\$ 6,724</u>	<u>\$ 16,449</u>	<u>(6,546)</u>	<u>(12,544)</u>	<u>(19,090)</u>
General revenues:						
Intergovernmental, not restricted for specific programs				-	1,114	1,114
Payments from DeKalb County				5,151	11,319	16,470
Unrestricted investment earnings				-	11	11
Miscellaneous				1,878	162	2,040
Total general revenues				<u>7,029</u>	<u>12,606</u>	<u>19,635</u>
Change in net assets				483	62	545
Net assets - beginning				4,676	1,500	6,176
Net assets - ending				<u>\$ 5,159</u>	<u>\$ 1,562</u>	<u>\$ 6,721</u>

The notes to the financial statements are an integral part of this statement.

DEKALB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

1. Summary of Significant Accounting Policies

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental units. The County's significant accounting policies are described below.

(A) The Financial Reporting Entity

DeKalb County, Georgia (the "County") was created by legislative act in 1822, and operates under an elected Chief Executive Officer and County Commission (seven members) form of government. As required by GAAP, the financial statements of the financial reporting entity include those of DeKalb County (the primary government), and its component units. Also, the fiduciary activities of the County's pension plan and various constitutional officers, judges, and other judicial officials are included in the fiduciary funds. These include the Tax Commissioner, Sheriff, Clerk of Superior Court, State Court, State Court Probation, Juvenile Court, Probate Court, and Magistrate Court.

The component units discussed below are included in the County's financial reporting entity because of the County's financial accountability for the entities and the significance of their operational and financial relationships with the County. In conformity with GAAP, the financial statements of the DeKalb County Board of Health and the DeKalb County Public Library Board have been included as discretely presented component units. The component units column in the financial statements includes the financial data for the County's two component units, as reflected in their most recent audited financial statements. These component units are reported in a column separate from the County's financial information to emphasize that they are legally separate from the County. The following discretely presented component units are incorporated into the County's financial report:

DeKalb County Board of Health - The governing board of the Board of Health consists of seven members: The Chief Executive Officer of the County, the Superintendent of the DeKalb County Board of Education (both by virtue of their offices), three members appointed by the County Commission, and two members appointed by other jurisdictions. The County, by virtue of its appointments and the presence of the Chief Executive Officer on the board, controls a majority of the Board of Health's governing body positions. Although the County does not have the authority to approve or modify the Board of Health's operational and capital budgets, it does have the ability to control the amount of funding it provides to the Board of Health. Such funding is significant to the overall operations of the Board of Health.

DeKalb County Public Library Board - The governing board of the Public Library Board consists of twelve members: the Chief Executive Officer of the County, the Executive Assistant to the Chief Executive Officer (both by virtue of their offices), eight members appointed by the County Commission, and two members appointed by other jurisdictions. The County, by virtue of its appointments and the presence of the Chief Executive Officer and the Executive Assistant to the Chief Executive Officer on the Board, controls a majority of Public Library Board governing body positions. Although the County does not have the authority to approve or modify the Public Library Board's operational and capital budgets, it does have the ability to control the amount of funding it provides to the Public Library Board. Such funding is significant to the overall operations of the Public Library Board.

Both component units have June 30 year-ends, consistent with the practice of most organizations receiving significant funding from the State.

Complete financial statements of the individual component units can be obtained directly from their administrative offices. Addresses for these administrative offices are as follows:

DeKalb County Board of Health
445 Winn Way Richardson Health Center
Decatur, GA 30030

DeKalb County Public Library Board
215 Sycamore Street
Decatur, GA 30030

In 2003, the County established the DeKalb County Building Authority (the "Building Authority") which is governed by a board comprised solely of members appointed by the CEO and Board of Commissioners. Although it is legally separate from the County's Board of Commissioners, the Building Authority is reported as if it were a part of the primary government, as a blended component unit, because its sole purpose is to finance and construct County public buildings. The Building Authority's funds are included as non-major debt service and capital projects funds. No separate financial statements are available.

The County is also responsible for appointing the members of the DeKalb County Housing Authority, but the County's accountability for the Authority does not extend beyond making the appointments.

The Fulton-DeKalb Hospital Authority is considered a joint venture with Fulton County, Georgia. The Atlanta Regional Commission is considered a joint venture with other governments of metropolitan Atlanta.

(B) Basis of presentation

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) display information about the primary government and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Administrative overhead charges are included in direct expenses for the business-type activities. Program revenues include 1) fees, fines, and charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the funds principal ongoing operations. The principal operating revenues of the County's proprietary funds are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, other governmental units, and/or other funds.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Tax District Designated Services Fund accounts for operations of the County's police, roads and drainage, and recreation departments. Financing is provided by a specific annual property tax levy and operating transfers from the special tax district unincorporated fund. Such property taxes are used only to provide police, roads and drainage, and recreation services for all residents of the County not provided with these services by other municipalities.

The Special Tax District Unincorporated Fund accounts for operations of various County activities which collect revenues that are restricted for use in the unincorporated areas of the County.

The County reports the following major proprietary funds:

The Water and Sewerage System Fund accounts for the provision of water and sewer services to the residents of the County. All activities necessary to provide such services are accounted for in this fund.

The Sanitation Fund accounts for the provision of sanitation services to residents of the County. All activities necessary to provide such services are accounted for in this fund.

The County reports the following fiduciary funds:

The General Employees' Pension Fund accounts for accumulated resources for pension benefit payments to qualified County employees.

The agency funds account for the assets held by the County in a trustee capacity as an agent for individuals, governmental units, and/or other funds.

The County reports the following other fund types:

Internal service funds account for vehicle maintenance, vehicle replacement, and risk management related activities provided to other departments of the County on a cost reimbursement basis.

(C) Measurement Focus, Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of grants which are recognized when all eligibility requirements have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

All governmental and business-type activities of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The County has elected not to follow the option allowed under GASB Statement 20 and thus does not follow any FASB Statements issued after November 30, 1989.

(D) Budgetary Data

An operating budget is legally adopted each fiscal year for all governmental funds except capital projects funds. The level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is the department level. Supplemental appropriations may be made annually at mid-year by the Board of Commissioners. Supplemental appropriations are also made out of the County's General Fund contingency account by the Board of Commissioners to fund unforeseen expenditures within the County's governmental funds at any time during the year. Presented final budgetary information reflects all supplemental appropriations as legally adopted by the Board of Commissioners. Individual amendments were not material in relation to the original appropriations. The Board of Commissioners must approve any department level changes to a previously adopted budget. Management may amend the budget without seeking the approval of the Board at any level below the department level.

In accordance with Georgia law, the County has project length balanced budgets for all capital projects funds.

The annual budget cycle begins in September of the preceding year when budget workbooks are distributed to each department. The County Code requires that the Chief Executive Officer of the County submit a proposed budget to the Board of Commissioners by December 15. The Chief Executive Officer and Board of Commissioners advertise and conduct public hearings on the proposed budget in adherence to local ordinance and state law and adopt a final budget prior to March 1.

The tax millage is set and tax bills are issued around July 1. A revised budget, based on fund balance carryovers and current revenue and expenditure trends, may be adopted prior to this date. Unencumbered appropriations lapse at year-end.

(E) Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the appropriation, is employed in the governmental funds.

(F) Property Taxes

Property tax billing and collection cycle dates are as follows: lien date - January 1 of each year; levy date - Fourth Tuesday in June; due dates - August 15 and November 15; and collection dates - anytime during the year.

(G) Cash, Cash Equivalents, and Investments

Cash management pools which are used essentially as demand deposit accounts and investments with maturities within 90 days of purchase are considered cash equivalents for purposes of the statement of cash flows. Investments are stated at fair value, based on quoted market prices. The Georgia Fund 1 (a local government investment pool) is not SEC registered, but is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Therefore, fair value of the County's investment in the Georgia Fund 1 is based on the price of the County's share in the pool. The Georgia Office of Treasury and Fiscal Services is the agency with regulatory oversight for Georgia Fund 1.

(H) Inventories

Inventories are determined by actual physical count and are stated at cost (using average cost flow assumptions) for the governmental activities and at the lower of average cost or market for the business-type activities. The consumption method is used to account for inventories.

(I) Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. General infrastructure assets consist of the road network assets that were acquired or that received substantial improvements subsequent to January 1, 1980 and are reported at estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The County capitalized \$11,844,000 of interest incurred in business-type activities for the year. Capital assets are depreciated using the straight-line method over the following estimated useful lives and with the following capitalization thresholds:

<u>Asset Class</u>	<u>Estimated Useful Lives (In years)</u>	<u>Capitalization Threshold</u>
Buildings	20-50	\$40,000 - 100,000
Land improvements	15-50	30,000 - 100,000
Infrastructure	10-50	20,000 - 100,000
Vehicles	1-10	2,000
Equipment	5	1,000

(J) Restricted Assets

Proceeds from the sale of water and sewer revenue bonds plus interest earned on the investment of these funds are restricted to the construction of new capital facilities and other improvements to the water and sewerage system. All monies in excess of those required to maintain the working capital of the water and sewerage system's operations are transferred to a separate account and restricted to the construction of new capital facilities and other expenditures as allowed by the system's bond resolutions. Sinking fund monies are restricted to the payment of bond principal and interest requirements as they become due as well as the maintenance of required reserves. Liabilities payable from these restricted assets are reported separately to indicate that the source of payment is the restricted assets.

(K) Claims, Judgments, and Compensated Absences

Liabilities for claims and judgments against the County, including estimated liabilities for claims incurred but not reported at year-end, have been accrued in the appropriate funds. Liabilities for compensated absences have been accrued in the government-wide and proprietary fund financial statements and are all considered long-term obligations of the County. A liability for these amounts is reported in the governmental funds only if they have matured.

Employees earn annual leave at the rate of 15 days per year for the first 5 years up to a maximum of 30 days per year after 25 years. There is no requirement that annual leave be taken, but the maximum permissible accumulation at year end is 60 days. Any accumulation of annual leave greater than 60 days is converted to sick leave at year end. At termination, employees are paid for any accumulated annual leave up to the 60 day maximum. Employees earn sick leave at the rate of 13 days per year with no limitations. At termination accumulated sick leave is converted to annual leave at the rate of 15 days to 1 day and is subject to the 60-day limitation.

(L) Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require the County to place a final cover on its Seminole Road landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$15,283,000 reported as landfill closure and postclosure cost liability at year-end represents the cumulative amount reported to date based on the use of 88% of the estimated capacity of the landfill, net of related expenditures to date of \$8,357,000. The County will recognize the remaining estimated cost of closure and postclosure care of \$3,223,000 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure in 2004. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. Closure and postclosure care financial assurance requirements will be met by adjusting the sanitation rate structures in the business-type activities as required. The County expects to close the current landfill in the year 2007 but has already acquired enough additional land to meet landfill needs through 2019.

(M) Reclassifications

Certain reclassifications have been made to the 2003 totals to conform to the classifications used in 2004.

(N) Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amount of revenues and expenditures / expenses during the reporting period. Actual results could differ from those estimates.

2. Joint Ventures

DeKalb County is party to a contract with Fulton County and the Fulton-DeKalb Hospital Authority (the "Authority") for the operation of Grady Memorial Hospital (the "Hospital"). The Hospital provides health services to indigent citizens of both counties. Three members of the Authority's Board of Trustees are appointed by the DeKalb County Board of Commissioners with another seven members appointed by the Fulton County Board of Commissioners. The entire operations of the Authority are disclosed as a component unit in the Fulton County, Georgia Comprehensive Annual Financial Report. DeKalb County has a financial interest in the Authority because operating deficits of the Hospital, up to an annually predetermined amount, relating to indigent care must be funded by Fulton County or DeKalb County under the terms of the contract. The funding formula is based on the ratio of patient levels between the two counties. For the year, DeKalb County funded \$14,541,000 of the Hospital's operating deficit. DeKalb County has limited control over the operating budget of the Hospital but must approve any debt issuance of the Authority. The Authority's debt is secured by a pledge of the operating revenues of the Hospital. Payments to the Authority are made from the County's other governmental funds. Separate financial statements may be obtained from: Fulton-DeKalb Hospital Authority; 80 Butler St SE; Atlanta Georgia 30314.

Condensed financial information for the Authority as of and for the year ended December 31, 2003 is as follows (in thousands of dollars) (December 31, 2004 amounts are unavailable):

Total Assets	\$ 474,911	Total Operating Revenues	\$ 534,160
Total Liabilities	\$ 433,590	Total Operating Expenses	\$ 661,489
Total Net Assets	\$ 41,321	Nonoperating Revenue (Net)	\$ 22,592
Current Debt	\$ 4,500	Fulton County and DeKalb County Contributions	\$ 104,956
Long-Term Debt	\$ 273,000	Increase in Net Assets	\$ 219

Under Georgia law, the County, in conjunction with other cities and counties in metropolitan Atlanta, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto. During the past year, the County paid \$674,160 in such dues. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC. The ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from: Atlanta Regional Commission; 40 Courtland St NE; Atlanta Georgia 30303.

There were no known related party transactions involving either joint venture.

3. Budget Basis of Accounting

Due to legal requirements, revenues and appropriations for governmental funds are budgeted on a basis that is not consistent with GAAP. The actual results of operations on the budget basis for the General Fund and Major Special Revenue Funds are presented in this report.

The major differences between the budget and GAAP are:

- (1) Revenues (principally property taxes, accounts receivable, grants, and interest receivables) are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
- (2) Expenditures (principally payroll, workers' compensation, and purchases) are recorded when paid (budget) as opposed to when incurred (GAAP);
- (3) Debt service requirements due January 1, 2005 are recorded as expenditures in 2004 (budget) as opposed to 2005 when obligations are due (GAAP);

4. Cash, Cash Equivalents, and Investments

The County maintains a cash and investment pool that is available for use by all County funds, except for certain of the trust and agency funds. In addition, cash, cash equivalents and investments are separately held by other funds, including the General Employees' Pension Fund. At year-end, the carrying amount of the County's deposits was \$63,625,000 and the bank balance was \$70,044,000. All of the bank balance was covered by federal depository insurance or by collateral held by the County's custodial bank in the County's name.

Statutes authorize the County to invest in obligations of the United States Treasury or Agencies, banker's acceptances, bank money market accounts, repurchase agreements, and the Georgia Fund 1 (a local government investment pool). The General Employees' Pension Fund is also authorized to invest in corporate bonds and debentures which are not in default as to principal and interest; corporate stocks, common or preferred; first loans on real estate where the loans are guaranteed by the Administrator of Veterans Affairs or by the Federal Housing Authority of the United States; certificates of deposit in national banks and state banks insured by the FDIC; and any other investments approved by the Pension Board. The Pension Trust Fund also invests in collateralized mortgage obligations (CMOs). These securities are based on cash flows from interest and principal payments on underlying mortgages. CMOs are sensitive to prepayments by mortgages, which may result from a decline in interest rates. The County invests in these securities in part to maximize yields and in part to hedge against a rise in interest rates.

The County's investments are categorized below to give an indication of the level of credit risk assumed by the County at year-end. Category 1 includes investments that are insured or registered, or securities held by the County's agent (the County's custodial bank) in the County's name. Category 2 includes investments that are uninsured and unregistered, with securities held by the counter party's trust department or agent in the County's name. Category 3 includes uninsured and unregistered with securities held by the counter party's trust department or agent but not in the County's name. The following amounts are in thousands of dollars:

	Category			Total
	1	2	3	
U.S. Government securities	\$ 152,045	\$ -	\$ -	\$ 152,045
Certificates of deposit	673	-	-	673
CMO's	38,012	-	-	38,012
Corporate stocks	729,962	-	-	729,962
Corporate bonds	102,998	-	-	102,998
Total Categorized Investments	<u>\$ 1,023,690</u>	<u>\$ -</u>	<u>\$ -</u>	1,023,690
Mutual funds				238,085
Investment in State of Georgia investment pools				275,895
Total Investments				<u>\$ 1,537,670</u>

5. Allowance For Uncollectible Receivables

Allowances for uncollectible receivables at December 31 are as follows (in thousands of dollars):

Governmental activities:		Business-type activities:	
Taxes receivable	\$ 996	Accounts receivable	<u>\$ 5,690</u>
Accounts receivable	11,587		
	<u>\$ 12,583</u>		

6. Due From Other Governments

Amounts due from other governments at December 31 are as follows (in thousands of dollars):

Governmental activities:		Business-type activities:	
Housing & Urban Development	\$ 4,307	Federal Aviation Administration	\$ 459
US Department of Justice	2,131	Other local governments	872
Georgia Department of Labor	84	Total	<u>\$ 1,331</u>
Other	336		
Total	<u>\$ 6,858</u>	Component Units:	
		Miscellaneous State Agencies	<u>\$ 2,145</u>

7. Capital Assets

Changes in capital assets are as follows (in thousands of dollars):

	Balance 12/31/2003	Additions	Deletions	Balance 12/31/2004	Accumulated Depreciation and Amortization 12/31/2003	Additions	Deletions	Accumulated Depreciation and Amortization 12/31/2004	Book Value 12/31/2004
<u>Governmental activities</u>									
Not depreciated:									
Land	\$ 177,753	\$ 23,763	\$ -	\$ 201,516					\$ 201,516
Construction in progress	65,477	86	-	65,563					65,563
Depreciated:									
Land improvements	26,509	-	-	26,509	\$ 10,483	\$ 583	\$ -	\$ 11,066	15,443
Buildings	252,879	54,368	-	307,247	67,537	6,009	-	73,546	233,701
Infrastructure	493,642	31,131	-	524,773	109,064	11,167	-	120,231	404,542
Other equipment	52,564	7,162	(17,538)	42,188	30,677	9,475	(17,538)	22,614	19,574
Totals	<u>\$ 1,068,824</u>	<u>\$ 116,510</u>	<u>\$ (17,538)</u>	<u>\$ 1,167,796</u>	<u>\$ 217,761</u>	<u>\$ 27,234</u>	<u>\$ (17,538)</u>	<u>\$ 227,457</u>	<u>\$ 940,339</u>
<u>Business-type activities</u>									
Not depreciated:									
Land	\$ 40,620	\$ 1,049	\$ -	\$ 41,669					\$ 41,669
Construction in progress	208,357	87,115	-	295,472					295,472
Depreciated:									
Land improvements	56,615	200	(102)	56,713	\$ 12,319	\$ 1,924	\$ (102)	\$ 14,141	42,572
Buildings	11,733	-	-	11,733	6,073	337	-	6,410	5,323
Plants	159,864	-	-	159,864	55,405	3,149	-	58,554	101,310
Lines	588,991	21,119	(2,382)	607,728	167,050	11,967	(2,382)	176,635	431,093
Water meters	47,260	5,485	(787)	51,958	16,133	3,179	(787)	18,525	33,433
Vehicles and portable equipment	127,959	10,992	(8,536)	130,415	77,451	20,471	(5,175)	92,747	37,668
Other equipment	19,147	1,530	(1,969)	18,708	9,170	3,099	(1,969)	10,300	8,408
Leaseholds	169,411	-	-	169,411	17,091	3,477	-	20,568	148,843
Totals	<u>\$ 1,429,957</u>	<u>\$ 127,490</u>	<u>\$ (13,776)</u>	<u>\$ 1,543,671</u>	<u>\$ 360,692</u>	<u>\$ 47,603</u>	<u>\$ (10,415)</u>	<u>\$ 397,880</u>	<u>\$ 1,145,791</u>
<u>Component units</u>									
Depreciated:									
Other equipment	<u>\$ 4,905</u>	<u>\$ 331</u>	<u>\$ (555)</u>	<u>\$ 4,681</u>	<u>\$ 2,754</u>	<u>\$ 621</u>	<u>\$ (555)</u>	<u>\$ 2,820</u>	<u>\$ 1,861</u>

Depreciation was charged to functions / programs of the primary government as follows (in thousands of dollars):

Governmental activities:

General government	\$ 4,387
Public safety	3,883
Civil and criminal court system	3,598
Planning	32
Public works	11,383
Community development	56
Library	613
Parks and recreation	1,184
Health and welfare	991
Miscellaneous	1,107
	<u>\$ 27,234</u>

Business-type activities

Water and sewerage system	\$ 24,166
Sanitation	2,147
DeKalb-Peachtree Airport	505
Vehicle maintenance	313
Vehicle replacement	20,471
	<u>\$ 47,602</u>

Construction in progress at December 31 is composed of the following (in thousands of dollars):

Governmental activities

	Project Authoriza- tion	Expended as of 12/31/2004	Committed	Required Future Financing
Parks and recreation	\$ 40,146	\$ 5,765	\$ 34,381	\$ -
Health centers	751	41	710	-
Public safety facilities	33,057	20,407	12,650	-
Court facilities	26,647	5,669	20,978	-
General government facilities	34,760	18,327	19,406	-
Infrastructure	38,676	15,354	20,349	-
Totals	<u>\$ 174,037</u>	<u>\$ 65,563</u>	<u>\$ 108,474</u>	<u>\$ -</u>

Business-type activities

Water and sewer facilities	\$ 319,861	\$ 288,583	\$ 31,278	\$ -
Sanitation facilities	29,677	3,112	26,565	-
Airport facilities	3,777	3,777	-	-
Totals	<u>\$ 353,315</u>	<u>\$ 295,472</u>	<u>\$ 57,843</u>	<u>\$ -</u>

8. Long-Term Obligations

Changes in long-term obligations for the year are as follows (in thousands of dollars):

	Balance 12/31/2003	Additions	Payments/ Retirements	Balance 12/31/2004	Current Portion	Long-term Portion
<u>Governmental activities</u>						
Claims and judgments payable	\$ 10,792	\$ 59,011	\$ (57,329)	\$ 12,474	\$ 8,046	\$ 4,428
Net pension obligation	-	12,335	-	12,335	-	12,335
Compensated absences payable	28,029	-	(1,913)	26,116	-	26,116
Capital leases	4,509	5,783	(1,999)	8,293	3,357	4,936
General obligation bonds payable	250,345	-	(15,845)	234,500	15,635	218,865
Revenue bonds payable	15,000	50,000	(580)	64,420	1,490	62,930
Certificates of participation payable	25,000	-	(475)	24,525	485	24,040
Unamortized premium on bonds payable	6,419	578	(719)	6,278	709	5,569
Deferred loss on bond refunding	(4,908)	-	570	(4,338)	(532)	(3,806)
Totals	<u>\$ 335,186</u>	<u>\$ 127,707</u>	<u>\$ (78,290)</u>	<u>\$ 384,603</u>	<u>\$ 29,190</u>	<u>\$ 355,413</u>
<u>Business-type activities</u>						
Landfill closure and postclosure cost	\$ 17,413	\$ -	\$ (2,130)	\$ 15,283	\$ -	\$ 15,283
Compensated absences payable	5,323	-	(343)	4,980	-	4,980
Contractual obligations payable	219	-	(219)	-	-	-
Capital leases	5,712	-	(2,176)	3,536	1,827	1,709
Revenue bonds payable	505,365	-	(7,550)	497,815	6,915	490,900
Unamortized premium on bonds payable	8,000	-	(418)	7,582	-	7,582
Deferred loss on bond refunding	(9,139)	-	717	(8,422)	-	(8,422)
Totals	<u>\$ 532,893</u>	<u>\$ -</u>	<u>\$ (12,119)</u>	<u>\$ 520,774</u>	<u>\$ 8,742</u>	<u>\$ 512,032</u>
<u>Component Units</u>						
Compensated absences payable	\$ 1,446	\$ -	\$ (1)	\$ 1,445	\$ -	\$ 1,445
Contractual obligations payable	60	-	(26)	34	34	-
	<u>\$ 1,506</u>	<u>\$ -</u>	<u>\$ (27)</u>	<u>\$ 1,479</u>	<u>\$ 34</u>	<u>\$ 1,445</u>

Governmental activities:

Claims and judgments payable typically have been liquidated in the other governmental funds and in the internal service funds. Compensated absences payable have typically been liquidated in the General Fund, the Special Tax District-Designated Services Fund, the Special Tax District-Unincorporated Fund, other governmental funds, and in the internal service funds. Capital leases have typically been liquidated in the General Fund, other governmental funds, and the internal service funds.

The following is a schedule by years of future minimum installment purchase payments on capital leases in the governmental activities with the present value of the net minimum payments as of December 31 (in thousands of dollars):

<u>Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 3,357	\$ 237	\$ 3,594
2006	3,402	118	3,520
2007	1,473	26	1,499
2008	61	-	61
Totals	\$ 8,293	\$ 381	\$ 8,674

For financial accounting and reporting purposes, all governmental activities bonds refunded (a total of \$125,145,000) are considered defeased and, along with the funds held in trust are not included in the accompanying financial statements.

The following is a summary of the County's outstanding general obligation bond issues at December 31 (in thousands of dollars):

<u>Year Issued</u>	<u>Purpose</u>	<u>Interest Rate (%)</u>	<u>Interest Dates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Retired</u>	<u>Outstanding</u>
1992	Refunding issue	6.00	1-1 7-1	12/01/92	01/01/20	\$ 64,775	\$ 55,705	\$ 9,070
1998	Jail	5.00	1-1 7-1	08/01/98	01/01/20	2,000	-	2,000
2001	Parks	3.50-5.00	6-1 12-1	10/01/01	12/01/15	125,000	24,090	100,910
2003	Refunding issue	3.00-5.00	1-1 7-1	07/22/03	01/01/20	53,295	5,395	47,900
2003	Refunding issue	3.00-5.00	1-1 7-1	12/05/03	01/01/20	74,620	-	74,620
	Totals					\$ 319,690	\$ 55,705	\$ 234,500

The following is a summary of general obligation bonds debt service requirements to maturity as of December 31 (in thousands of dollars):

<u>Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 15,635	\$ 10,478	\$ 26,113
2006	15,985	9,789	25,774
2007	16,410	8,999	25,409
2008	17,810	8,227	26,037
2009	18,435	7,393	25,828
2010-2014	86,350	25,312	111,662
2015-2019	53,860	7,910	61,770
2020	10,015	241	10,256
Totals	\$ 234,500	\$ 78,349	\$ 312,849

The County is subject to the laws of the State of Georgia, which limit the amount of net bonded debt (exclusive of revenue bonds) the County may have outstanding to 10% of the assessed valuation of taxable property within the County. At year-end, general obligation bonds outstanding, net of amounts available in the Debt Service Funds, totaled \$221,318,000. The statutory limit at that date was \$2,233,000,000, providing a debt margin of \$2,011,682,000.

The following is a summary of the County's outstanding Certificates of Participation at December 31 (in thousands of dollars):

Year Issued	Purpose	Interest Rate (%)	Interest Dates	Issue Date	Maturity Date	Authorized and Issued	Retired	Outstanding
2003	Office building and courthouse	2.50-4.75	6-1 12-1	10/14/03	12/01/23	\$ 25,000	\$ 475	\$ 24,525

The following is a summary of Certificates of Participation debt service requirements to maturity as of year end (in thousands of dollars):

Year Payable	Interest Rate (%)	Principal	Interest	Total
2005	2.25	\$ 485	\$ 994	\$ 1,479
2006	2.25	970	983	1,953
2007	2.5	995	961	1,956
2008	2.875	1,020	937	1,957
2009	3.125	1,045	907	1,952
2010-2014	4.00-4.50	5,855	3,912	9,767
2015-2019	4.10-4.50	7,180	2,594	9,774
2020-2023	4.50-4.75	6,975	838	7,813
Totals		\$ 24,525	\$ 12,126	\$ 36,651

In December 2004, the Public Safety and Judicial Facilities Authority issued \$50,000,000 of DeKalb County Public Safety and Judicial Facilities Authority Revenue Bonds. The proceeds of which will be used to purchase and renovate various buildings for use by the Public Safety Department.

The following is a summary of the County's outstanding governmental activities revenue bond issues at December 31 (in thousands of dollars):

Year Issued	Purpose	Interest Rate (%)	Interest Dates	Issue Date	Maturity Date	Authorized and Issued	Retired	Outstanding
2003	Juvenile Justice Center	2.0-5.0	6-1 12-1	07/01/03	12/01/20	\$ 15,000	\$ 580	\$ 14,420
2004	Public Safety and Judicial Facilities	3.0-5.0	6-1 12-1	12/29/04	12/01/34	50,000	-	50,000
						<u>\$ 65,000</u>	<u>\$ 580</u>	<u>\$ 64,420</u>

The following is a summary of the County's governmental activities revenue bonds debt service requirements to maturity as of December 31 (in thousands of dollars):

Year Payable	Interest Rate (%)	Principal	Interest	Total
2005	2.0-3.0	\$ 1,490	\$ 2,469	\$ 3,959
2006	2.0-3.0	1,580	2,597	4,177
2007	2.0-3.0	1,615	2,556	4,171
2008	2.0-3.0	1,660	2,513	4,173
2009	2.5-3.0	1,705	2,470	4,175
2010-2014	2.5-3.5	9,285	11,576	20,861
2015-2019	3.25-4.0	10,955	9,910	20,865
2020-2024	3.875-5.0	12,235	7,548	19,783
2025-2029	5.0	10,500	4,976	15,476
2030-2034	5.0	13,395	2,074	15,469
Totals		\$ 64,420	\$ 48,689	\$ 113,109

Business-type activities:

The following is a schedule by years of future minimum installment purchase payments on capital leases for vehicles in the business-type activities with the present value of the net minimum payments as of December 31 (in thousands of dollars):

<u>Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 1,827	\$ 96	\$ 1,923
2006	1,034	41	1,075
2007	602	12	614
2008	73	1	74
Totals	\$ 3,536	\$ 150	\$ 3,686

The following is a summary of the County's outstanding business-type activities revenue bond issues as of December 31 (in thousands of dollars):

<u>Series</u>	<u>Interest Rate (%)</u>	<u>Interest Dates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Retired</u>	<u>Out-standing</u>	<u>Callable</u>	<u>Call Premiums</u>
1997	6.25	4-1 10-1	07/09/97	10/01/06	\$ 42,870	\$ 31,315	\$ 11,555	\$ -	
1999	4.2-5.0	4-1 10-1	05/01/99	10/01/28	96,345	-	96,345	92,955	0-1%
2000	4.5-5.625	4-1 10-1	11/01/00	10/01/35	214,525	4,045	210,480	195,600	0-1%
2003	2.5-5.0	4-1 10-1	11/18/03	10/01/35	179,865	430	179,435	145,875	None
Totals					\$ 533,605	\$ 35,790	\$ 497,815	\$ 434,430	

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. As of year-end, the County believes it was in compliance with all such significant limitations and restrictions.

The following is a summary of the County's outstanding business-type activities revenue bonds debt service requirements to maturity as of year-end (in thousands of dollars):

<u>Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 6,915	\$ 25,195	\$ 32,110
2006	7,315	24,797	32,112
2007	5,550	24,375	29,925
2008	8,910	24,160	33,070
2009	9,445	23,802	33,247
2010-2014	53,925	112,302	166,227
2015-2019	68,985	97,254	166,239
2020-2024	88,885	77,552	166,437
2025-2029	108,990	52,400	161,390
2030-2034	112,725	24,938	137,663
2035	26,170	1,364	27,534
Totals	\$ 497,815	\$ 488,139	\$ 985,954

9. Employee Benefits

(A) Defined Benefits Pension Plan Description

The County provides pension benefits for substantially all of its full-time and permanent part-time employees through a single employer defined benefit plan (the "Plan"). The Plan is administered by the DeKalb County Pension Board (the "Board") composed of seven voting members (the Chief Executive Officer of DeKalb County, two members elected by County employees, two members selected by the DeKalb County Board of Commissioners, one member elected by County retirees, and one member appointed by the other voting members of the Board) and two non-voting members (the County Director of Finance and the County Merit System Director). The Plan does not issue separate financial statements. The County's payroll for employees covered by the Plan for the year was \$278,393,000, as compared to a total County payroll of \$294,918,000.

The Plan provides retirement benefits of 2.75% of average salary (based on the highest consecutive 36 months of pay over the last ten years of employment) times years of service with a maximum retirement benefit of 82.5% of average salary. Normal retirement, with at least 10 years of service, is at age 55 or older. Early retirement (subject to reductions in benefits) is allowed at age 50 with 10 or more years of service. Employees with 30 years of service can retire at any age with no reduction in benefits. An employee can retire at age 65 with three or more years of service.

Termination benefits are as follows. Within the first three years of service, the participant's contributions will be returned without interest. After three but less than ten years of service, the participant may either withdraw his contributions plus interest or leave his contributions in the Plan and receive a monthly benefit to commence at age 65 equal to his accrued benefit as of the date of termination. After ten years of service, the participant may either withdraw his contributions plus interest or leave his contributions in the Plan and receive a monthly benefit to commence at his normal retirement date equal to his accrued benefit as of the date of termination. Such terminating employee may elect to receive reduced benefits any time after he attains 50 years of age.

Retirement benefits are payable monthly for life (ten years guaranteed) with survivor options available subject to reduced monthly benefits. The Plan also provides disability benefits. These benefit provisions and all other requirements are established by State statute and by the DeKalb Pension Act. Any changes to the Plan benefits must be approved by the DeKalb County Board of Commissioners. Contribution levels to the Plan are determined using the actuarial basis specified by statute. Current contribution levels, as approved by the DeKalb County Board of Commissioners, are employee 0.5% and County 0.5% of employee earnings. The accrual basis of accounting is used to report the activities of the Plan. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Assets are valued at fair value, based on quoted market prices, with actuarial valuations of investments adjusted to market at a 5 year smoothed rate. As of year end, no investment in any one organization represented 5% or more of plan assets. Administrative costs of the Plan are financed through investment earnings. As of year end, Plan membership was composed of the following:

Ten year vested active employees covered by the Plan	2,626
Three year vested active employees covered by the Plan	2,542
Nonvested active employees covered by the Plan	2,100
Retirees currently receiving normal retirement benefits	2,055
Retirees currently receiving disability benefits	94
Beneficiaries of deceased retirees currently receiving benefits	223
Terminated employees entitled to benefits but not yet receiving them because of age	295
Total members	<u>9,935</u>

(B) Actuarial assumptions

The actuarial accrued liability was computed as part of an actuarial valuation performed as of April 1, 2004. Significant actuarial assumptions used in the valuation include: (a) rate of return on investment of present and future assets of 8.0% per year compounded annually, (b) projected salary increases of 3.5% for inflation and 0% to 4.3% for merit / seniority based on an age-graduated scale, compounded annually, (c) no postretirement benefit increases were assumed.

(C) Actuarially Determined Pension Plan Contribution Requirements and Contribution Made

The Plan's funding policy provides for actuarially determined contributions at rates that, for individual employees, are a level percentage of payroll. The contribution rate for normal cost is determined using the projected unit credit cost method. The required contribution includes the normal cost less amortization of the assets in excess of the actuarial accrued liability. Amortization is taken as a level percentage of payroll over 0.25 to 30 years for various bases. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the actuarial accrued liability as described above. The total contributions to the Plan for the year of \$2,642,000 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed April 1, 2003. Employer contributions of \$1,320,000 represent 8% of the employer annual required contribution. The net pension obligation of \$12,334,738 was determined in accordance with GASB Statement No. 27. The amortization period for the County's actuarial accrued surplus is open.

(D) Schedule of Contributions as a percentage of salary

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Employee	.5%	.5%	.5%	.5%	.5%	.5%	.5%	2.50%	2.50%	2.50%
Employer	.5%	.5%	.5%	.5%	.5%	.5%	.5%	.5-3.25%	3.25%	10.00%

(E) Unaudited Schedule of Funding Progress (in thousands of dollars where applicable):

	Valuation Date						
	4-1-2004	4-1-2003	4-1-2002	4-1-2001	4-1-2000	4-1-1999	4-1-1998
Actuarial value of plan assets	\$ 1,137,597	\$ 1,122,066	\$ 1,161,884	\$ 1,002,973	\$ 995,071	\$ 922,548	\$ 861,814
Actuarial accrued liability	\$ 1,038,214	\$ 983,393	\$ 978,606	\$ 851,877	\$ 790,994	\$ 726,771	\$ 593,931
Percentage funded	109.57%	114.10%	118.73%	117.74%	125.80%	126.94%	145.10%
Assets in excess of actuarial accrued liability	\$ 99,383	\$ 138,673	\$ 183,278	\$ 151,096	\$ 204,077	\$ 195,777	\$ 267,883
Annual covered payroll	\$ 261,248	\$ 254,259	\$ 249,746	\$ 206,419	\$ 196,590	\$ 194,410	\$ 181,342
Assets in excess of actuarial accrued liability as a % of annual covered payroll	38.04%	54.54%	73.39%	73.20%	103.81%	100.70%	147.72%

(F) Unaudited Schedule of Employer Contributions (in thousands of dollars where applicable):

	2004	2003	2002	2001	2000	1999	1998
Annual required contribution / annual pension cost	\$ 16,624	\$ 6,270	\$ 13,800	\$ 1,253	\$ 1,140	\$ 1,070	\$ 1,007
Annual employer contributions made	\$ 1,320	\$ 1,288	\$ 1,302	\$ 1,253	\$ 1,140	\$ 1,070	\$ 1,007
Net pension asset (obligation), end of year	\$ (12,335)	\$ 3,123	\$ 8,434	\$ -	\$ -	\$ -	\$ -
Percentage of annual employer contributions made to annual required contributions	7.94%	20.54%	9.43%	100.00%	100.00%	100.00%	100.00%

(G) Other Post Retirement Benefits

Group health benefits are available to all retirees and beneficiaries of retirees with the County paying up to 70% of the total cost and the retiree paying the remaining amount. These benefits are provided by the DeKalb County Board of Commissioners each year and are not statutory, contractual, or required by other authority. The total cost of retiree health benefits, \$11,723,000 for the year, is recognized as an expense in the Internal Service Funds as claims are incurred.

(H) Deferred Compensation Plan

The County offers its employees an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all County employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the participant or other beneficiary) solely the property and rights of a Trust created by the County for the benefit of the participants and administered by third parties. The County has adopted the provisions of GASB Statement No. 32 which required the removal of plan assets and liabilities from the financial statements of the County.

10. Proprietary Funds**Contracts and agreements**

The County has a shared interest in various water pollution control plants with the City of Atlanta, Gwinnett County, Henry County, and Fulton County. Each of these agreements requires the County to pay a pro rata share of the plants' operating costs and additional capital improvements which may be made by the other equity interest. During the year, the County incurred the following operating costs (no capital costs were incurred) (in thousands of dollars):

R. M. Clayton Plant - City of Atlanta	\$ 10,509
Big Creek Plant, John's Creek Plant, Marsh Creek Plant - Fulton County	1,114
Jackson Creek Plant - Gwinnett County	364
Total	<u>\$ 11,987</u>

11. Fund Deficits

The Risk Management Fund (an Internal Service Fund) ended the year with a net assets deficit of \$4,671,000. Risk management charges will be increased in future years to eliminate this deficit.

12. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; law enforcement liability; injuries to employees; assumed risks for employee benefits; damage to private parties; and natural disasters. By provision of the State Constitution, the County may be immune from liability for most forms of bodily injury and property damage arising out of its operations, if such losses are not insured. It is the policy of the County to utilize immunity as a legal defense against liability claims whenever the risk of loss is not insured and immunity may be asserted.

DeKalb County has a Risk Management Fund to account for and to finance its purchase of insurance and coverage of uninsured risks of loss when immunity cannot be asserted. Under this program, the Risk Management Fund finances two reserves: workers' compensation and incurred but unpaid claims under a self-funded employee medical benefit program. The County retains the first \$500,000 of expense for each occurrence of workers' compensation injuries, and it retains the first \$175,000 of medical expense claims per year for each covered employee under the comprehensive medical insurance plan. Beyond these limits, the County purchases specific excess insurance to limit further loss. No claim has ever exceeded the excess limits of the workers' compensation or excess medical insurance policies. Reserves are established for the medical insurance liabilities based on actuarial projection provided by the plan administrator (Blue Cross and Blue Shield of Georgia). Reserves for workers' compensation are established in two manners: (1) an estimate of future expenses for known claims and known treatment needs, and (2) a statistical projection of incurred but unreported claims, based on recent historical experience of loss development in the County's claims.

The County purchases commercial automobile liability insurance to cover its automobile, trucks, and other on-road vehicles. It also purchases liability coverage for its helicopter fleet and for airport operations. Beyond the limits of the liability policies, the County asserts immunity, and has never had to pay a claim in excess of those policies. Consequently, no reserve is established for these risk exposures.

Buildings and contents are insured through an "all risk" property damage insurance policy, and the County retains the first \$100,000 of each loss, with no aggregate limits. This retention level is funded by an annual appropriation of \$300,000 which, historically, has proven adequate to cover all claims.

The changes in the liabilities for self-insurance for the last four years are as follows (in thousands of dollars):

	2004	2003	2002	2001
Workers' compensation:				
Incurred claims, net of any changes	\$ 5,380	\$ 3,493	\$ 1,800	\$ 2,595
Payments	(3,026)	(2,887)	(2,411)	(2,722)
Ending balance	<u>7,633</u>	<u>5,279</u>	<u>4,673</u>	<u>5,284</u>
Health and dental:				
Incurred claims, net of any changes	53,631	46,552	39,828	38,420
Payments	(53,803)	(45,461)	(38,484)	(38,215)
Ending balance	<u>4,841</u>	<u>5,013</u>	<u>3,922</u>	<u>2,578</u>
Total liability for self insurance	<u>\$ 12,474</u>	<u>\$ 10,292</u>	<u>\$ 8,595</u>	<u>\$ 7,862</u>

13. Interfund Balances and Activity

(A) Balances Due To / From Other Funds

Balances due to / from other funds at year end consist of the following (in thousands of dollars):

\$ 6,981	Due to the General Fund from other governmental funds representing short-term loans.
1,616	Due to the General Fund from the General Employee's Pension fund representing a short-term loan.
1,423	Due to the Special Tax District Designated Services Fund from the Special Tax District Unincorporated Fund representing a short-term loan.
<u>\$ 10,020</u>	Total

(B) Transfers to / from Other Funds

Transfers to / from other funds for the year consist of the following:

\$ 1,227	Transfer from General Fund to other governmental funds to match federal and state grants.
22,432	Transfer from General Fund to other governmental funds for capital projects.
80	Transfer from General Fund to other governmental funds to fund programs.
2,119	Transfer from Special Tax District Designated Services Fund to other governmental funds to match federal and state grants.
82,688	Transfer from Special Tax District Unincorporated Fund to Special Tax District Designated Services Fund to fund operations.
189	Transfer from Special Tax District Unincorporated Fund to other governmental funds for capital projects.
9,072	Transfer from other governmental funds to General Fund to fund programs.
125	Transfer from other governmental funds of unspent grant and projects monies to General Fund.
1,497	Transfer from other governmental funds of unspent grant and projects monies to Special Tax District Designated Services Fund.
2,023	Transfers between other governmental funds for capital projects.
137	Transfers between other governmental funds of unspent capital projects monies.
39	Transfers between other governmental funds to match federal and state grants.
250	Transfer from other enterprise funds to Water and Sewerage System Fund for capital projects.
625	Transfer from other enterprise funds to other governmental funds to fund programs.
70	Transfer from internal service funds to other governmental funds for capital projects.
<u>\$ 122,573</u>	

14. Commitments And Contingencies

The County Board of Commissioners voted during fiscal year 2003 to approve giving 95% of the hotel / motel tax received by the County to the DeKalb County Convention and Visitors Bureau and 5% to the DeKalb Council for the Arts. During the year, the County paid \$1,948,000 and \$103,000 respectively, on these agreements.

Litigation - The County is defendant in various legal actions in the nature of claims for alleged damages to persons and property, civil rights violations, zoning matters, and other similar types of actions arising in the course of normal County operations. In the opinion of the County's management and legal counsel there are no suits pending or unasserted claims that would have a material adverse effect on the financial condition of the County.

Grant Contingencies - The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County's management expects such amounts, if any, will not be significant.

15. Budget Information

The County exceeded the legal level of budgeted expenditures in the following departments (in thousands of dollars):

<u>Fund</u>	<u>Department</u>	<u>Amount</u>
General	Juvenile Court	\$ 48
Special Revenue - Streetlights	Public works transportation	4
Special Revenue - Grant-in-Aid	Finance	9
Special Revenue - Grant-in-Aid	Workforce development	400
Special Revenue - Grant-in-Aid	District Attorney	3
Debt Service - Other General Obligation Bonds	Debt Service	147

These overages were caused by unexpected expenditures in these funds during 2004. The budgets for these departments in 2005 are expected to be sufficient to cover expenditures.

As mandated by Georgia law, the County maintains a project-length balanced budget for each capital projects fund. The following is a summary of each of these funds project-length budgets (in thousands of dollars):

	1987 Parks Bonds	Jail Bonds	Health Facilities Bonds	COPS Bonds	Morgue Project	HOST Capital Projects	Community Greenspace Program	2001 Parks Bonds
Project-length revenues:								
Budget	\$ 201	\$ 2,389	\$ 760	\$ 33,982	\$ 318	\$ 107,394	\$ 4,300	\$ 115,825
Actual	203	2,408	762	34,226	318	83,618	4,327	115,126
Project-length expenditures:								
Budget	201	2,389	760	33,982	318	107,394	4,300	115,825
Actual	47	182	600	21,690	317	71,564	4,293	51,320
	Capital Improvement Projects	Building Authority Juvenile Court Project	Public Safety Judicial Facilities Authority	Total				
Project-length revenues:								
Budget	\$ 121,506	\$ 15,158	\$ 50,095	\$ 451,928				
Actual	82,883	14,116	50,384	388,371				
Project-length expenditures:								
Budget	121,506	15,158	50,095	451,928				
Actual	61,453	10,587	20,450	242,503				

16. Fund Balance Reserves

Reserved fund balances in the various funds are as follows (in thousands of dollars):

	General	Special Tax District - Designated Services	Special Tax District - Unincorporated	Other Governmental Funds	Total Governmental Funds
Reserved for encumbrances	\$ 1,557	\$ 902	\$ 10	\$ 21,747	\$ 24,216
Reserved for inventories	51	-	-	-	51
Total reserved	<u>\$ 1,608</u>	<u>\$ 902</u>	<u>\$ 10</u>	<u>\$ 21,747</u>	<u>\$ 24,267</u>

17. Subsequent Event

The DeKalb County Board of Commissioners voted in early 2005 to increase the County's pension contributions and employee's pension contributions based on the following scheduled percentages of payroll:

Year	Employee Contribution	Employer Contribution
2005	1.5%	3.0%
2006	2.5%	4.0%
2007	3.0%	5.5%
2008	3.5%	7.0%

These increases should eliminate the net pension obligation shown in Footnote 9F.

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DEKALB COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

DeKalb County, Georgia
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2004
(in thousands of dollars)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 17,999	\$ 12,892	\$ 150,906	\$ 181,797
Taxes receivable (net)	5,996	911	-	6,907
Accounts receivable (net)	1,719	-	-	1,719
Due from other governments	6,858	-	-	6,858
Total assets	<u>32,572</u>	<u>13,803</u>	<u>150,906</u>	<u>197,281</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts and contracts payable	4,072	-	4,962	9,034
Other accrued liabilities	2,096	-	-	2,096
Advance payments and deposits	477	-	-	477
Due to other governments	381	-	-	381
Due to other funds	6,981	-	-	6,981
Due to others	330	-	-	330
Deferred revenue	1,392	617	76	2,085
Total liabilities	<u>15,729</u>	<u>617</u>	<u>5,038</u>	<u>21,384</u>
Fund balances:				
Reserved	210	-	21,537	21,747
Unreserved	16,633	13,186	124,331	154,150
Total fund balances	<u>16,843</u>	<u>13,186</u>	<u>145,868</u>	<u>175,897</u>
Total liabilities and fund balances	<u>\$ 32,572</u>	<u>\$ 13,803</u>	<u>\$ 150,906</u>	<u>\$ 197,281</u>

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended December 31, 2004
(in thousands of dollars)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 68,751	\$ 27,367	\$ -	\$ 96,118
Licenses and permits	8,535	-	-	8,535
Use of money and property	215	459	1,350	2,024
Intergovernmental	29,696	-	601	30,297
Fines and forfeitures	2,793	-	-	2,793
Charges for services	15,577	-	-	15,577
Miscellaneous	1,139	-	949	2,088
Total revenues	126,706	27,826	2,900	157,432
EXPENDITURES				
Current:				
General government	6,128	-	-	6,128
Public safety	59,194	-	-	59,194
Civil and criminal court system	2,067	-	-	2,067
Public works	13,720	-	-	13,720
Community development	12,929	-	-	12,929
Parks and recreation	1,765	-	-	1,765
Health and welfare	23,336	-	-	23,336
Miscellaneous	2,834	-	-	2,834
Debt service	-	26,140	1,207	27,347
Bond issuance costs	-	-	237	237
Capital outlay:				
General government	-	-	14,410	14,410
Public safety	-	-	21,354	21,354
Civil and criminal court system	-	-	5,760	5,760
Public works	-	-	31,665	31,665
Community development	-	-	30	30
Library	-	-	225	225
Parks and recreation	-	-	27,926	27,926
Health and welfare	-	-	126	126
Other	-	-	21	21
Total expenditures	121,973	26,140	102,961	251,074
Excess (deficiency) of revenues over (under) expenditures	4,733	1,686	(100,061)	(93,642)
OTHER FINANCING SOURCES (USES)				
Proceeds of bond issuance	-	-	50,000	50,000
Premium on bond issuance	-	-	579	579
Contractual purchase obligations	514	-	2,864	3,378
Transfers in	3,527	-	25,414	28,941
Transfers out	(10,153)	-	(2,740)	(12,893)
Total other financing sources (uses)	(6,112)	-	76,117	70,005
Net change in fund balance	(1,379)	1,686	(23,944)	(23,637)
Fund balance - beginning	18,222	11,500	169,812	199,534
Fund balance - ending	\$ 16,843	\$ 13,186	\$ 145,868	\$ 175,897

DeKalb County, Georgia
Nonmajor Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

The following Nonmajor Special Revenue Funds are used by the County:

- Development Fund - to account for operations of the County's development department, whose financing is provided by license and permit fees.
- Child Support Incentive Fund - to account for monies collected from the State to be used by the District Attorney for programs relating to child support.
- PEG Support Fund - to account for monies collected from cable companies to provide infrastructure for government access channels.
- County Jail Fund - to account for monies collected as a result of a 10% penalty on certain court cases, which are used for the construction, operation, and staffing of County detention facilities.
- Victim Assistance Fund - to account for fines assessed in State and Superior Courts in DeKalb County which are used for victim assistance programs.
- Recreation Fund - to account for the operations of various recreational activities provided by the County whose financing is through user fees.
- Juvenile Services Fund - to account for monies collected under Georgia law for probation services to juvenile offenders which are used for providing treatment to juvenile offenders.
- Drug Abuse Treatment and Education Fund - to account for monies collected under Georgia law related to additional penalties on controlled substances offenses which are used for drug abuse treatment and education programs relating to controlled substances and marijuana.
- Law Enforcement Confiscated Monies Fund - to account for monies confiscated under Georgia law by DeKalb law enforcement officers related to controlled substances offenses which are used to defray the cost of complex investigations and to purchase equipment relating to said investigations.
- Street Lights Fund - to account for street light assessments on County residents and businesses which are used for providing street light services for the County's citizens.
- Speed Humps Fund - to account for speed hump assessments on County residents which are used for providing speed hump services for the County's citizens.
- Emergency Telephone System Fund - to account for monies collected under Georgia law by the telephone company on behalf of DeKalb County which are used for providing emergency 911 services to residents of the County.
- Grant-in-Aid Fund - to account for operations of various grant-in-aid programs. Financing is provided by contributions from various governmental agencies. Such contributions are used only to finance expenditures permitted by the various grant-in-aid contracts and agreements.
- 2000 Local Law Enforcement Block Grant Fund - to account for year 2000 local law enforcement block grant monies which are used to support law enforcement in the County.
- 2001 Local Law Enforcement Block Grant Fund - to account for year 2001 local law enforcement block grant monies which are used to support law enforcement in the County.
- 2002 Local Law Enforcement Block Grant Fund - to account for year 2002 local law enforcement block grant monies which are used to support law enforcement in the County.
- 2003 Local Law Enforcement Block Grant Fund - to account for year 2003 local law enforcement block grant monies which are used to support law enforcement in the County.
- 2004 Local Law Enforcement Block Grant Fund - to account for year 2004 local law enforcement block grant monies which are used to support law enforcement in the County.
- Fire Fund - to account for operations of the County's fire department whose financing is provided by a specific annual property tax levy. Such property taxes are used to provide fire protection for all residents of the County not protected by municipal fire departments.
- Hospital Fund - to account for contractual payments made by the County to the Fulton DeKalb Hospital Authority whose financing is provided by a specific annual property tax levy.
- Hotel/Motel Tax Fund - to account for taxes collected by hotels and motels within the County which are used for the promotion of tourism and convention trade within the County.
- Law Library - to account for fees received from State and Superior Courts and used to finance the Law Library's operation and purchase of reference materials.
- Alternative Dispute Resolution - to account for fees received from State, Magistrate, Probate, and Superior Courts and used to fund dispute resolution matters.

DeKalb County, Georgia
Nonmajor Special Revenue Funds

Combining Balance Sheet

December 31, 2004

(in thousands of dollars)

	Development	PEG Support	Victim Assistance	Recreation	Juvenile Services	Drug Abuse Treatment & Education	Law Enforcement Confiscated Monies	Street Lights	Speed Humps	Emergency Telephone System	Grant-in-Aid
ASSETS											
Cash and cash equivalents	\$ 551	\$ 1,788	\$ 588	\$ 212	\$ 16	\$ 123	\$ 3,438	\$ 67	433	\$ 7,810	\$ -
Taxes receivable (net)	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable (net)	514	-	-	-	-	-	-	175	-	900	-
Due from other governments	-	-	-	-	-	-	-	-	-	-	6,858
Total assets	1,065	1,788	588	212	16	123	3,438	242	433	8,710	6,858
LIABILITIES AND FUND BALANCE											
Liabilities:											
Accounts and contracts payable	550	205	83	106	-	111	1,002	-	2	-	870
Other accrued liabilities	242	-	-	11	-	-	-	3	-	-	562
Advance payments and deposits	-	-	-	-	-	-	477	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	5,339
Due to others	-	-	-	-	-	-	327	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	87
Total liabilities	792	205	83	117	-	111	1,806	3	2	-	6,858
Fund balances:											
Reserved	4	-	-	4	1	-	68	-	-	2	-
Unreserved	269	1,583	505	91	15	12	1,564	239	431	8,708	-
Total fund balances	273	1,583	505	95	16	12	1,632	239	431	8,710	-
Total liabilities and fund balances	\$ 1,065	\$ 1,788	\$ 588	\$ 212	\$ 16	\$ 123	\$ 3,438	\$ 242	\$ 433	\$ 8,710	\$ 6,858

(continued)

DeKalb County, Georgia
Nonmajor Special Revenue Funds

Combining Balance Sheet

December 31, 2004

(in thousands of dollars)
(continued)

	2001 Local Law	2002 Local Law	2003 Local Law	2004 Local Law					Alternative	Total
	Enforcement	Enforcement	Enforcement	Enforcement			Hotel &	Law	Dispute	Nonmajor
	Block Grant	Block Grant	Block Grant	Block Grant	Fire	Hospital	Motel Tax	Library	Resolution	Special
										Revenue
										Funds
ASSETS										
Cash and cash equivalents	\$ 1	\$ 34	\$ 268	\$ 188	\$ 972	\$ -	\$ 209	\$ 155	\$ 1,146	\$ 17,999
Taxes receivable (net)	-	-	-	-	4,080	1,744	172	-	-	5,996
Accounts receivable (net)	-	-	-	-	83	-	-	5	42	1,719
Due from other governments	-	-	-	-	-	-	-	-	-	6,858
Total assets	1	34	268	188	5,135	1,744	381	160	1,188	32,572
LIABILITIES AND FUND BALANCE										
Liabilities:										
Accounts and contracts payable	-	-	119	-	1,024	-	-	-	-	4,072
Other accrued liabilities	-	-	-	-	1,278	-	-	-	-	2,096
Advance payments and deposits	-	-	-	-	-	-	-	-	-	477
Due to other funds	-	-	-	-	-	1,065	-	-	577	6,981
Due to others	-	-	-	-	-	-	-	3	-	330
Due to other governments	-	-	-	-	-	-	381	-	-	381
Deferred revenue	-	-	-	-	885	420	-	-	-	1,392
Total liabilities	-	-	119	-	3,187	1,485	381	3	577	15,729
Fund balances:										
Reserved	-	-	-	-	131	-	-	-	-	210
Unreserved	1	34	149	188	1,817	259	-	157	611	16,633
Total fund balances	1	34	149	188	1,948	259	-	157	611	16,843
Total liabilities and fund balances	\$ 1	\$ 34	\$ 268	\$ 188	\$ 5,135	\$ 1,744	\$ 381	\$ 160	\$ 1,188	\$ 32,572

DeKalb County, Georgia
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 For the Year Ended December 31, 2004
 (in thousands of dollars)

	Development	Child Support Incentive	PEG Support	County Jail	Victim Assistance	Recreation	Juvenile Services	Drug Abuse Treatment & Education	Law Enforcement Confiscated Monies	Street Lights	Speed Humps	Emergency Telephone System
REVENUES												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	8,535	-	-	-	-	-	-	-	-	-	-	-
Use of money and property	23	-	19	-	-	6	-	-	25	3	3	91
Intergovernmental	-	-	-	108	116	-	-	-	1,291	-	-	-
Fines and forfeitures	-	-	-	1,748	978	-	-	67	-	-	-	-
Charges for services	42	-	-	-	-	1,076	75	-	-	3,209	201	10,850
Miscellaneous	90	-	123	-	-	13	-	-	2	-	-	-
Total revenues	8,690	-	142	1,856	1,094	1,095	75	67	1,318	3,212	204	10,941
EXPENDITURES												
Current:												
General government	-	-	367	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	1,336	-	-	3,516
Civil and criminal court system	-	-	-	-	254	-	95	-	171	-	-	-
Public works	10,477	-	-	-	-	-	-	-	-	3,239	4	-
Community development	-	-	-	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	1,363	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	66	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	90	-	-	-	-
Total expenditures	10,477	-	367	-	254	1,363	95	156	1,507	3,239	4	3,516
Excess (deficiency) of revenues over (under) expenditures	(1,787)	-	(225)	1,856	840	(268)	(20)	(89)	(189)	(27)	200	7,425
OTHER FINANCING SOURCES (USES)												
Contractual purchase obligations	514	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	81	-	-	-	-
Transfers out	-	(5)	-	(1,863)	(858)	-	-	-	(13)	-	-	(6,317)
Total other financing sources (uses)	514	(5)	-	(1,863)	(858)	-	-	81	(13)	-	-	(6,317)
Net change in fund balance	(1,273)	(5)	(225)	(7)	(18)	(268)	(20)	(8)	(202)	(27)	200	1,108
Fund balance - beginning	1,546	5	1,808	7	523	363	36	20	1,834	266	231	7,602
Fund balance - ending	\$ 273	\$ -	\$ 1,583	\$ -	\$ 505	\$ 95	\$ 16	\$ 12	\$ 1,632	\$ 239	\$ 431	\$ 8,710

(continued)

DeKalb County, Georgia
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2004
(in thousands of dollars)
(continued)

		2000 Local Law	2001 Local Law	2002 Local Law	2003 Local Law	2004 Local Law			Hotel &	Law	Alternative	Total
	Grant-in-Aid	Enforcement	Enforcement	Enforcement	Enforcement	Enforcement	Fire	Hospital	Motel Tax	Library	Dispute	Nonmajor
REVENUES		Block Grant	Block Grant	Block Grant	Block Grant	Block Grant					Resolution	Special
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,992	\$ 20,676	\$ 2,083	\$ -	\$ -	\$ 68,751
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	8,535
Use of money and property	-	-	-	5	4	-	22	-	-	2	12	215
Intergovernmental	24,499	-	-	-	-	188	2,467	1,027	-	-	-	29,696
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	2,793
Charges for services	-	-	-	-	-	-	124	-	-	-	-	15,577
Miscellaneous	88	-	-	-	-	-	148	-	-	81	594	1,139
Total revenues	24,587	-	-	5	4	188	48,753	21,703	2,083	83	606	126,708
EXPENDITURES												
Current:												
General government	3,678	-	-	-	-	-	-	-	2,083	-	-	6,128
Public safety	6,706	-	34	161	358	-	47,083	-	-	-	-	59,194
Civil and criminal court system	1,547	-	-	-	-	-	-	-	-	-	-	2,067
Public works	-	-	-	-	-	-	-	-	-	-	-	13,720
Community development	12,929	-	-	-	-	-	-	-	-	-	-	12,929
Parks and recreation	402	-	-	-	-	-	-	-	-	-	-	1,765
Health and welfare	1,622	-	-	-	-	-	-	21,648	-	-	-	23,336
Miscellaneous	2,037	1	-	-	-	-	-	-	-	94	612	2,834
Total expenditures	28,821	1	34	161	358	-	47,083	21,648	2,083	94	612	121,973
Excess (deficiency) of revenues												
over (under) expenditures	(4,334)	(1)	(34)	(156)	(354)	188	1,670	55	-	(11)	(6)	4,733
OTHER FINANCING SOURCES (USES)												
Contractual purchase obligations	-	-	-	-	-	-	-	-	-	-	-	514
Transfers in	3,371	-	-	13	-	-	62	-	-	-	-	3,527
Transfers out	(1,044)	(35)	(5)	-	-	-	(13)	-	-	-	-	(10,153)
Total other financing sources (uses)	2,327	(35)	(5)	13	-	-	49	-	-	-	-	(6,112)
Net change in fund balance	(2,007)	(36)	(39)	(143)	(354)	188	1,719	55	-	(11)	(6)	(1,379)
Fund balance - beginning	2,007	36	40	177	503	-	229	204	-	168	617	18,222
Fund balance - ending	\$ -	\$ -	\$ 1	\$ 34	\$ 149	\$ 188	\$ 1,948	\$ 259	\$ -	\$ 157	\$ 611	\$ 16,843

DeKalb County, Georgia

Nonmajor Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2004

Non-GAAP Budget Basis (in thousands of dollars)

	Development			Child Support Incentive			PEG Support		
	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:									
Licenses and permits	\$ 10,235	\$ 8,535	\$ (1,700)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	1	1
Charges for services	-	42	42	-	-	-	-	21	21
Investment income	42	26	(16)	-	-	-	135	122	(13)
Miscellaneous	13	90	77	-	-	-	135	144	9
Total revenues	10,290	8,693	(1,597)	-	-	-	-	-	-
Expenditures:									
Current:							1,762	162	(1,600)
General government	-	-	-	-	-	-	-	-	-
Civil and criminal court system - district attorney	-	-	-	5	-	(5)	-	-	-
Public works - development	11,799	9,359	(2,440)	-	-	-	1,762	162	(1,600)
Total expenditures	11,799	9,359	(2,440)	5	-	(5)	(1,627)	(18)	1,609
Excess (deficiency) of revenues over expenditures	(1,509)	(666)	843	(5)	-	5	-	-	-
Other financing sources (uses):					(5)	(5)	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,509)	(666)	843	(5)	(5)	-	(1,627)	(18)	1,609
Fund balance, beginning of year	1,509	1,509	-	5	5	-	1,627	1,627	-
Fund balance, end of year	\$ -	\$ 843	\$ 843	\$ -	\$ -	\$ -	\$ -	\$ 1,609	\$ 1,609
Explanation of differences between budget and GAAP:									
Deficiency of revenues and other sources over expenditures and other uses - budget basis		(666)			(5)			(18)	
Differences - budget to GAAP:									
Due to revenues:									(2)
Accrued receivables 12-31-2003		(3)			-			-	
Due to expenditures:									
Accrued payables 12-31-2003		741			-			(26)	
Accrued payables 12-31-2004		(570)			-			(179)	
Encumbrances 12-31-2003		(775)			-			(225)	
Net change in fund balance - GAAP basis		\$ (1,273)			\$ (5)				

(continued)

DeKalb County, Georgia

Nonmajor Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2004

Non-GAAP Budget Basis (in thousands of dollars)
(continued)

	County Jail			Victim Assistance			Recreation		
	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:									
Intergovernmental	\$ 90	\$ 108	\$ 18	\$ 150	\$ 116	\$ (34)	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	1,334	1,076	(258)
Fines and forfeitures	1,690	1,748	58	800	978	178	-	-	-
Investment income	-	-	-	-	-	-	-	6	6
Miscellaneous	-	-	-	-	-	-	-	13	13
Total revenues	1,780	1,856	76	950	1,094	144	1,334	1,095	(239)
Expenditures:									
Current:									
Civil and criminal court system - district attorney	-	-	-	595	151	(444)	-	-	-
Parks and recreation	-	-	-	-	-	-	1,640	1,234	(406)
Total expenditures	-	-	-	595	151	(444)	1,640	1,234	(406)
Excess (deficiency) of revenues over expenditures	1,780	1,856	76	355	943	588	(306)	(139)	167
Other financing sources (uses):									
Transfers out	(1,787)	(1,863)	(76)	(858)	(858)	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(7)	(7)	-	(503)	85	588	(306)	(139)	167
Fund balance, beginning of year	7	7	-	503	503	-	306	306	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ 588	\$ 588	\$ -	\$ 167	\$ 167
Explanation of differences between budget and GAAP:									
Deficiency of revenues and other sources over expenditures and other uses - budget basis			(7)		85			(139)	
Differences - budget to GAAP:									
Due to revenues:									
Due to expenditures:									
Accrued payables 12-31-2003		-			-			14	
Accrued payables 12-31-2004		-			(83)			(72)	
Encumbrances 12-31-2003		-			(20)			(71)	
Net change in fund balance - GAAP basis		\$ (7)			\$ (18)			\$ (268)	

(continued)

DeKalb County, Georgia

Nonmajor Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2004

Non-GAAP Budget Basis (in thousands of dollars)
(continued)

	Juvenile Services			Drug Abuse Treatment & Education			Law Enforcement Confiscated Monies		
	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,413	\$ 1,291	\$ (122)
Charges for services	60	75	15	-	-	-	-	-	-
Fines and forfeitures	-	-	-	62	67	5	-	-	-
Investment income	-	-	-	1	-	(1)	-	29	29
Miscellaneous	-	-	-	-	-	-	-	2	2
Total revenues	60	75	15	63	67	4	1,413	1,322	(91)
Expenditures:									
Current:									
Public safety - police	-	-	-	-	-	-	2,007	27	(1,980)
Civil and criminal court system - sheriff	-	-	-	-	-	-	242	125	(117)
Civil and criminal court system - juvenile court	96	95	(1)	-	-	-	-	-	-
Civil and criminal court system - district attorney	-	-	-	-	-	-	314	117	(197)
Health and welfare	-	-	-	163	65	(98)	-	-	-
Total expenditures	96	95	(1)	163	65	(98)	2,563	269	(2,294)
Excess (deficiency) of revenues over expenditures	(36)	(20)	16	(100)	2	102	(1,150)	1,053	2,203
Other financing sources (uses):									
Transfers in	-	-	-	80	81	1	-	-	-
Transfers out	-	-	-	-	-	-	-	(13)	(13)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(36)	(20)	16	(20)	83	103	(1,150)	1,040	2,190
Fund balance, beginning of year	36	36	-	20	20	-	1,150	1,150	-
Fund balance, end of year	\$ -	\$ 16	\$ 16	\$ -	\$ 103	\$ 103	\$ -	\$ 2,190	\$ 2,190
Explanation of differences between budget and GAAP:									
Deficiency of revenues and other sources over expenditures and other uses - budget basis		(20)			83			1,040	
Differences - budget to GAAP:									
Due to revenues:									
Accrued receivables 12-31-2003		-			-			(5)	
Due to expenditures:									
Accrued payables 12-31-2003		-			-			200	
Accrued payables 12-31-2004		-			(91)			(558)	
Encumbrances 12-31-2003		-			-			(879)	
Net change in fund balance - GAAP basis		\$ (20)			\$ (8)			\$ (202)	

(continued)

DeKalb County, Georgia

Nonmajor Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2004

Non-GAAP Budget Basis (in thousands of dollars)
(continued)

	Street Lights			Speed Humps			Emergency Telephone System		
	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:									
Charges for services	\$ 3,120	\$ 3,190	\$ 70	\$ 150	\$ 206	\$ 58	\$ 11,038	\$ 10,800	\$ (236)
Investment income	1	2	1	1	3	2	60	98	38
Total revenues	3,121	3,192	71	151	209	58	11,096	10,898	(198)
Expenditures:									
Current:									
Public safety	-	-	-	-	-	-	11,201	3,423	(7,778)
Public works - transportation	3,234	3,238	4	-	-	-	-	-	-
Public works - roads and drainage	-	-	-	377	2	(375)	-	-	-
Total expenditures	3,234	3,238	4	377	2	(375)	11,201	3,423	(7,778)
Excess (deficiency) of revenues over expenditures	(113)	(46)	67	(226)	207	433	(105)	7,475	7,580
Other financing sources (uses):									
Transfers out	-	-	-	-	-	-	(6,548)	(6,317)	231
Excess (deficiency) of revenues and other sources over expenditures and other uses	(113)	(46)	67	(226)	207	433	(6,653)	1,158	7,811
Fund balance, beginning of year	113	113	-	226	226	-	6,653	6,653	-
Fund balance, end of year	\$ -	\$ 67	\$ 67	\$ -	\$ 433	\$ 433	\$ -	\$ 7,811	\$ 7,811
Explanation of differences between budget and GAAP:									
Deficiency of revenues and other sources over expenditures and other uses - budget basis		(46)			207			1,158	
Differences - budget to GAAP:									
Due to revenues:									
Accrued receivables 12-31-2003		(155)			(5)			(857)	
Accrued receivables 12-31-2004		175			-			900	
Due to expenditures:									
Accrued payables 12-31-2003		2			-			-	
Accrued payables 12-31-2004		(3)			(2)			-	
Encumbrances 12-31-2003		-			-			(93)	
Net change in fund balance - GAAP basis		\$ (27)			\$ 200			\$ 1,108	

(continued)

DeKalb County, Georgia

Nonmajor Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2004

Non-GAAP Budget Basis (in thousands of dollars)
(continued)

	Grant-in-Aid			2000 Local Law Enforcement Block Grant			2001 Local Law Enforcement Block Grant		
	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:									
Intergovernmental	\$ 50,981	\$ 20,120	\$ (30,861)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	195	88	(107)	-	-	-	-	-	-
Total revenues	51,176	20,208	(30,968)	-	-	-	-	-	-
Expenditures:									
Current:									
General government:									
Finance	-	9	9	-	-	-	-	-	-
Workforce development	3,256	3,656	400	-	-	-	-	-	-
Total general government	3,256	3,665	409	-	-	-	-	-	-
Public safety:									
Police	9,878	6,305	(3,571)	36	1	(35)	35	34	(1)
Fire and rescue services	1,620	210	(1,410)	-	-	-	-	-	-
Total public safety	11,498	6,515	(4,981)	36	1	(35)	35	34	(1)
Civil and criminal court system:									
Sheriff	332	327	(5)	-	-	-	-	-	-
Juvenile court	1,436	580	(856)	-	-	-	-	-	-
Superior court	626	194	(432)	-	-	-	-	-	-
State court	1	1	-	-	-	-	-	-	-
Solicitor	265	183	(82)	-	-	-	-	-	-
District attorney	182	185	3	-	-	-	-	-	-
Magistrate court	117	111	(6)	-	-	-	-	-	-
Total civil and criminal court system	2,959	1,581	(1,378)	-	-	-	-	-	-
Public works - development	88	-	(88)	-	-	-	-	-	-
Community development	25,055	12,661	(12,394)	-	-	-	-	-	-
Parks and recreation	1,355	402	(953)	-	-	-	-	-	-
Health and welfare:									
Public health	42	17	(25)	-	-	-	-	-	-
Senior citizens services	4,112	1,298	(2,814)	-	-	-	-	-	-
Family and children services	1,820	1,620	(200)	-	-	-	-	-	-
Total health and welfare	5,974	2,935	(3,039)	-	-	-	-	-	-
Miscellaneous	3,959	466	(3,493)	-	-	-	-	-	-
Total expenditures	54,142	28,225	(25,917)	36	1	(35)	35	34	(1)
Excess (deficiency) of revenues over expenditures	(2,966)	(8,017)	(5,051)	(36)	(1)	35	(35)	(34)	1
Other financing sources (uses):									
Transfers in	3,174	3,371	197	-	-	-	-	-	-
Transfers out	-	(1,044)	(1,044)	-	(35)	(35)	(5)	(5)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	208	(5,690)	(5,898)	(36)	(36)	-	(40)	(39)	1
Fund balance, beginning of year	(208)	(208)	-	36	36	-	40	40	-
Fund balance, end of year	\$ -	\$ (5,898)	\$ (5,898)	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 1
Explanation of differences between budget and GAAP:									
Deficiency of revenues and other sources over expenditures and other uses - budget basis		(5,690)			(36)			(39)	
Differences - budget to GAAP:									
Due to revenues:									
Accrued receivables 12-31-2003		(2,479)			-			-	
Accrued receivables 12-31-2004		6,858			-			-	
Due to expenditures:									
Accrued payables 12-31-2003		264			-			-	
Accrued payables 12-31-2004		(960)			-			-	
Net change in fund balance - GAAP basis		\$ (2,007)			\$ (36)			\$ (39)	

(continued)

DeKalb County, Georgia

Nonmajor Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2004

Non-GAAP Budget Basis (in thousands of dollars)
(continued)

	2002 Local Law Enforcement Block Grant			2003 Local Law Enforcement Block Grant			Fire		
	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,440	\$ 30,859	\$ (1,581)
Sales taxes	-	-	-	-	-	-	14,800	15,148	348
Intergovernmental	-	-	-	-	-	-	2,106	2,468	362
Charges for services	-	-	-	-	-	-	75	-	(75)
Investment income	-	5	5	-	5	5	1	22	21
Miscellaneous	-	-	-	-	-	-	65	189	124
Total revenues	-	5	5	-	5	5	49,487	48,684	(803)
Expenditures:									
Current:									
Public safety - police	186	161	(25)	503	240	(263)	-	-	-
Public safety - fire and rescue services	-	-	-	-	-	-	50,013	45,531	(4,482)
Total expenditures	186	161	(25)	503	240	(263)	50,013	45,531	(4,482)
Excess (deficiency) of revenues over expenditures	(186)	(156)	30	(503)	(235)	268	(526)	3,153	3,679
Other financing sources (uses):									
Transfers in	9	13	4	-	-	-	62	62	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(177)	(143)	34	(503)	(235)	268	(464)	3,215	3,679
Fund balance, beginning of year	177	177	-	503	503	-	464	464	-
Fund balance, end of year	\$ -	\$ 34	\$ 34	\$ -	\$ 268	\$ 268	\$ -	\$ 3,679	\$ 3,679
Explanation of differences between budget and GAAP:									
Deficiency of revenues and other sources over expenditures and other uses - budget basis		(143)			(235)			3,215	
Differences - budget to GAAP:									
Due to revenues:									
Accrued receivables 12-31-2003		-			-			(905)	
Accrued receivables 12-31-2004		-			-			1,285	
Deferred revenues 12-31-2003		-			-			575	
Deferred revenues 12-31-2004		-			-			(885)	
Due to expenditures:									
Accrued payables 12-31-2003		-			-			944	
Accrued payables 12-31-2004		-			(119)			(2,131)	
Encumbrances 12-31-2003		-			-			(379)	
Net change in fund balance - GAAP basis		\$ (143)			\$ (354)			\$ 1,719	

(continued)

DeKalb County, Georgia

Nonmajor Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2004

Non-GAAP Budget Basis (in thousands of dollars)
(continued)

	Hospital			Hotel & Motel Tax		
	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:						
Property taxes	\$ 14,932	\$ 13,228	\$ (1,704)	\$ -	\$ -	\$ -
Sales taxes	5,500	7,463	1,963	-	-	-
Other taxes	-	-	-	1,950	2,061	111
Intergovernmental	1,174	1,027	(147)	-	-	-
Investment income	-	(29)	(29)	-	-	-
Total revenues	21,606	21,689	83	1,950	2,061	111
Expenditures:						
Current:						
General government	-	-	-	2,149	2,051	(98)
Health and welfare - hospital	21,643	21,619	(24)	-	-	-
Total expenditures	21,643	21,619	(24)	2,149	2,051	(98)
Excess (deficiency) of revenues over expenditures	(37)	70	107	(199)	10	209
Fund balance, beginning of year	37	37	-	199	199	-
Fund balance, end of year	\$ -	\$ 107	\$ -	\$ -	\$ 209	\$ -
Explanation of differences between budget and GAAP:						
Deficiency of revenues and other sources over expenditures and other uses - budget basis		70			10	
Differences - budget to GAAP:						
Due to revenues:						
Accrued receivables 12-31-2003		(491)			(150)	
Accrued receivables 12-31-2004		572			172	
Deferred revenues 12-31-2003		324			-	
Deferred revenues 12-31-2004		(420)			-	
Due to expenditures:						
Accrued payables 12-31-2003		-			349	
Accrued payables 12-31-2004		-			(381)	
Net change in fund balance - GAAP basis		\$ 55			\$ -	

DeKalb County, Georgia
Nonmajor Debt Service Funds
Combining Balance Sheet
December 31, 2004
(in thousands of dollars)

	Building Authority Revenue Bonds Debt Service	2001 Parks General Obligation Bonds Debt Service	Other General Obligation Bonds Debt Service	Total Nonmajor Debt Service Funds
ASSETS				
Cash and cash equivalents	\$ 4	\$ 1,527	\$ 11,361	\$ 12,892
Taxes receivable (net)	-	407	504	911
Total assets	<u>4</u>	<u>1,934</u>	<u>11,865</u>	<u>13,803</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Deferred revenue	-	268	349	617
Fund balance	<u>4</u>	<u>1,666</u>	<u>11,516</u>	<u>13,186</u>
Total liabilities and fund balances	<u>\$ 4</u>	<u>\$ 1,934</u>	<u>\$ 11,865</u>	<u>\$ 13,803</u>

DeKalb County, Georgia
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2004
(in thousands of dollars)

	Building Authority Revenue Bonds Debt Service	2001 Parks General Obligation Bonds Debt Service	Other General Obligation Bonds Debt Service	Total Nonmajor Debt Service Funds
REVENUES				
Taxes	\$ -	\$ 12,862	\$ 14,505	\$ 27,367
Use of money and property	397	27	35	459
Total revenues	<u>397</u>	<u>12,889</u>	<u>14,540</u>	<u>27,826</u>
EXPENDITURES				
Debt service	<u>1,079</u>	<u>11,946</u>	<u>13,115</u>	<u>26,140</u>
Excess (deficiency) of revenues over (under) expenditures	(682)	943	1,425	1,686
Fund balance - beginning	<u>686</u>	<u>723</u>	<u>10,091</u>	<u>11,500</u>
Fund balance - ending	<u>\$ 4</u>	<u>\$ 1,666</u>	<u>\$ 11,516</u>	<u>\$ 13,186</u>

DeKalb County, Georgia

Nonmajor Debt Service Funds

The following Nonmajor Debt Service Funds are used by the County:

Building Authority Revenue Bonds Debt Service Fund - to account for rental and other revenues used to fund the principal and interest requirements on revenue bonds issued by the Building Authority.

2001 Parks General Obligation Bonds Debt Service Fund - to account for taxes levied to fund the principal and interest requirements on the 2001 general obligation parks bonds.

Other General Obligation Bonds Debt Service Fund - to account for taxes levied to fund the principal and interest requirements on all other general obligation bond issues of the County.

DeKalb County, Georgia

Nonmajor Debt Service Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2004

Non-GAAP Budget Basis (in thousands of dollars)

	Building Authority Revenue Bonds Debt Service			2001 Parks General Obligation Bonds Debt Service			Other General Obligation Bonds Debt Service		
	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:									
Property taxes	\$ -	\$ -	\$ -	\$ 13,569	\$ 12,841	\$ (728)	\$ 14,240	\$ 14,520	\$ 280
Investment income	-	276	276	55	27	(28)	25	43	18
Miscellaneous	411	121	(290)	-	-	-	-	-	-
Total revenues	411	397	(14)	13,624	12,868	(756)	14,265	14,563	298
Expenditures:									
Debt service	1,097	1,079	(18)	14,229	11,946	(2,283)	14,290	14,437	147
Excess (deficiency) of revenues over expenditures	(686)	(682)	4	(605)	922	1,527	(25)	126	151
Excess (deficiency) of revenues and other sources over expenditures and other uses	(686)	(682)	4	(605)	922	1,527	(25)	126	151
Fund balance, beginning of year	686	686	-	605	605	-	25	25	-
Fund balance, end of year	\$ -	\$ 4	\$ 4	\$ -	\$ 1,527	\$ 1,527	\$ -	\$ 151	\$ 151
Explanation of differences between budget and GAAP:									
Deficiency of revenues and other sources over expenditures and other uses - budget basis		(682)			922			126	
Differences - budget to GAAP:									
Due to revenues:									
Accrued receivables 12-31-2003		-			(289)			(463)	
Accrued receivables 12-31-2004		-			407			504	
Deferred revenues 12-31-2003		-			171			285	
Deferred revenues 12-31-2004		-			(268)			(349)	
Due to expenditures:									
Debt service payment due 12-31-2003		-			-			(9,888)	
Debt service payment due 12-31-2004		-			-			11,210	
Net change in fund balance - GAAP basis	\$ (682)			\$ 943			\$ 1,425		

DeKalb County, Georgia

Nonmajor Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities for the County's governmental funds.

The following Nonmajor Capital Projects Funds are used by the County:

1987 Parks Bonds Fund - to account for the proceeds of the 1987 General Obligation Bond issue and the related capital expenditures for parks.

Jail Bonds Fund - to account for the proceeds of the 1991 General Obligation Bond issues and the related capital expenditures for a new County jail.

Health Facilities Bonds Fund - to account for the proceeds of the 1993 General Obligation Bond issue and the related capital expenditures for health facilities.

2001 Parks Bonds Fund - to account for the proceeds of the 2001 General Obligation Bond issue and the related capital expenditures for parks.

HOST Capital Projects Fund - to account for the proceeds from the homestead sales tax revenues designated for capital projects.

Capital Improvement Projects Fund - to account for all other monies related to capital expenditures of the County's governmental funds.

COPS Bond Projects Fund - to account for the proceeds of the 2003 Certificate of Participation Bond issue and the related capital expenditures.

COPS Morgue Project Fund - to account for the proceeds of the 1994 Certificate of Participation Bond issue and the related capital expenditures for the construction of a morgue / forensic science center.

Community Greenspace Program Fund - to account for monies donated for green space acquisitions within the County.

Public Safety and Judicial Facilities Authority Projects Fund - to account for the proceeds of the 2004 Revenue Bond issue and the related capital projects for purchase and renovation of various buildings for the Public Safety Department.

Building Authority Juvenile Court Project Fund - to account for the proceeds of the 2003 Revenue Bonds and the related expenditures for the construction of a juvenile court facility for the County.

DeKalb County, Georgia
Nonmajor Capital Project Funds
Combining Balance Sheet
December 31, 2004
(in thousands of dollars)

	1987 Parks Bonds	Jail Bonds	Health Facilities Bonds	2001 Parks Bonds	HOST Capital Projects	Capital Improvement Projects	COPS Bond Projects	COPS Morgue Project	Community Greenspace Program	Public Safety Judicial Facilities Authority Projects	Building Authority Juvenile Court Project	Total Nonmajor Capital Project Funds
ASSETS												
Cash and cash equivalents	\$ 158	\$ 2,226	\$ 162	\$ 64,669	\$ 12,293	\$ 24,384	\$ 12,540	\$ 1	\$ 34	\$ 29,934	\$ 4,507	\$ 150,906
Total assets	158	2,226	162	64,669	12,293	24,384	12,540	1	34	29,934	4,507	150,906
LIABILITIES AND FUND BALANCE												
Liabilities:												
Accounts and contracts payable	-	-	-	863	239	2,878	4	-	-	-	978	4,962
Deferred revenue	-	-	-	-	-	76	-	-	-	-	-	76
Total liabilities	-	-	-	863	239	2,954	4	-	-	-	978	5,038
Fund balance:												
Reserved	-	-	-	9,146	4,428	6,397	1,289	-	-	43	234	21,537
Unreserved	158	2,226	162	54,660	7,626	15,033	11,247	1	34	29,891	3,295	124,331
Total fund balance	158	2,226	162	63,806	12,054	21,430	12,536	1	34	29,934	3,529	145,868
Total liabilities and fund balances	\$ 158	\$ 2,226	\$ 162	\$ 64,669	\$ 12,293	\$ 24,384	\$ 12,540	\$ 1	\$ 34	\$ 29,934	\$ 4,507	\$ 150,906

DeKalb County, Georgia

Nonmajor Capital Project Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended December 31, 2004

(in thousands of dollars)

	1987 Parks Bonds	Jail Bonds	Health Facilities Bonds	2001 Parks Bonds	HOST Capital Projects	Capital Improvement Projects	COPS Bond Projects	COPS Morgue Project	Community Greenspace Program	Public Safety Judicial Facilities Authority Projects	Building Authority Juvenile Court Project	Total Nonmajor Capital Project Funds
Revenues												
Use of money and property	\$ 1	\$ 23	\$ 2	\$ 894	\$ 226	\$ -	\$ 127	\$ -	\$ 27	\$ -	\$ 50	\$ 1,350
Intergovernmental	-	-	-	-	-	601	-	-	-	-	-	601
Miscellaneous	-	-	-	806	-	143	-	-	-	-	-	949
Total revenues	1	23	2	1,700	226	744	127	-	27	-	50	2,900
Expenditures												
Debt service	-	-	-	-	300	907	-	-	-	-	-	1,207
Bond issuance costs	-	-	-	-	-	-	-	-	-	237	-	237
Capital outlay:												
General government	-	-	-	-	-	14,410	-	-	-	-	-	14,410
Public safety	-	-	-	-	-	946	-	-	-	20,408	-	21,354
Civil and criminal court system	-	8	-	-	-	-	271	9	-	-	5,472	5,760
Public works	-	-	-	-	13,458	18,207	-	-	-	-	-	31,665
Community Development	-	-	-	-	-	30	-	-	-	-	-	30
Library System	-	-	-	-	-	225	-	-	-	-	-	225
Parks and recreation	-	-	-	23,953	-	15	-	-	3,958	-	-	27,926
Health and welfare	-	-	26	-	-	100	-	-	-	-	-	126
Other	-	-	-	-	-	21	-	-	-	-	-	21
Total expenditures	-	8	26	23,953	13,758	34,661	271	9	3,958	20,645	5,472	102,961
Excess (deficiency) of revenues over expenditures	1	15	(24)	(22,253)	(13,532)	(34,117)	(144)	(9)	(3,931)	(20,645)	(5,422)	(100,061)
Other Financing Sources (Uses)												
Proceeds of bond issuance	-	-	-	-	-	-	-	-	-	50,000	-	50,000
Premium on bond issuance	-	-	-	-	-	-	-	-	-	579	-	579
Contractual purchase obligations	-	-	-	-	-	2,864	-	-	-	-	-	2,864
Transfers in	-	-	-	-	600	24,739	-	-	75	-	-	25,414
Transfers out	-	-	-	-	(2,216)	(524)	-	-	-	-	-	(2,740)
Total other financing sources (uses)	-	-	-	-	(1,616)	27,079	-	-	75	50,579	-	76,117
Net change in fund balance	1	15	(24)	(22,253)	(15,148)	(7,038)	(144)	(9)	(3,856)	29,934	(5,422)	(23,944)
Fund balance - beginning	155	2,211	186	86,059	27,202	28,468	12,680	10	3,890	-	8,951	169,812
Fund balance - ending	\$ 156	\$ 2,226	\$ 162	\$ 63,806	\$ 12,054	\$ 21,430	\$ 12,536	\$ 1	\$ 34	\$ 29,934	\$ 3,529	\$ 145,868

DeKalb County, Georgia

Nonmajor Enterprise Funds

The following Nonmajor Enterprise Funds are used by the County:

DeKalb Peachtree Airport Fund - to account for the provision of airport services to the residents of the County. All activities necessary to provide such services are accounted for in this fund.

Stormwater Utility Fund - to account for the provision of a Stormwater drainage system for residents of the County. All activities necessary to provide such services are accounted for in this fund.

DeKalb County, Georgia
Nonmajor Enterprise Funds
Statement of Net Assets
December 31, 2004
(in thousands of dollars)

	DeKalb- Peachtree Airport	Stormwater Utility	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 2,949	\$ 11,237	\$ 14,186
Accounts receivable (net)	115	745	860
Due from other governments	459	-	459
Total current assets	3,523	11,982	15,505
Noncurrent assets:			
Capital assets (net)	46,439	-	46,439
Total assets	49,962	11,982	61,944
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	540	1,072	1,612
Other accrued liabilities	39	-	39
Advance payments and deposits	7	-	7
Total current liabilities	586	1,072	1,658
Noncurrent liabilities:			
Compensated absences payable	94	-	94
Total liabilities	680	1,072	1,752
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	46,439	-	46,439
Unrestricted	2,843	10,910	13,753
Total net assets	\$ 49,282	\$ 10,910	60,192

DeKalb County, Georgia
Nonmajor Enterprise Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended December 31, 2004
(In thousands of dollars)

	DeKalb- Peachtree Airport	Stormwater Utility	Total
Operating revenues:			
Rental fees	\$ 3,177	\$ -	\$ 3,177
Charges for services	-	16,693	16,693
Miscellaneous	1	-	1
Total operating revenues	<u>3,178</u>	<u>16,693</u>	<u>19,871</u>
Operating expenses:			
Salaries and employee benefits	1,122	-	1,122
Supplies	212	907	1,119
Operating services and charges	908	4,131	5,039
Depreciation and amortization	505	-	505
Total operating expenses	<u>2,747</u>	<u>5,038</u>	<u>7,785</u>
Operating income	431	11,655	12,086
Nonoperating revenues:			
Interest income	<u>37</u>	<u>49</u>	<u>86</u>
Income before capital donations and transfers	468	11,704	12,172
Capital donations	590	-	590
Transfers out	<u>-</u>	<u>(875)</u>	<u>(875)</u>
Change in net assets	1,058	10,829	11,887
Net assets - beginning	<u>48,224</u>	<u>81</u>	<u>48,305</u>
Net assets - ending	<u>\$ 49,282</u>	<u>\$ 10,910</u>	<u>\$ 60,192</u>

DeKalb County, Georgia
Nonmajor Enterprise Funds
Statement of Cash Flows
For the Year Ended December 31, 2004
(In thousands of dollars)

	DeKalb- Peachtree Airport	Stormwater Utility	Total
Cash flows from operating activities:			
Cash received from customers	\$ 3,214	\$ 15,948	\$ 19,162
Cash payments to suppliers for goods and services	(895)	(4,165)	(5,060)
Cash payments to employees for services	(1,117)	-	(1,117)
Other operating revenues	1	-	1
Net cash provided by operating activities	<u>1,203</u>	<u>11,783</u>	<u>12,986</u>
Cash flows from noncapital financing activities:			
Transfers to other funds	-	(875)	(875)
Net cash required by noncapital financing activities	<u>-</u>	<u>(875)</u>	<u>(875)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(1,507)	-	(1,507)
Capital donations	415	-	415
Net cash required by capital and related financing activities	<u>(1,092)</u>	<u>-</u>	<u>(1,092)</u>
Cash flows from investing activities:			
Interest on investments	39	49	88
Net cash provided by investing activities	<u>39</u>	<u>49</u>	<u>88</u>
Net increase in cash and cash equivalents	150	10,957	11,107
Cash and cash equivalents at beginning of year	2,799	280	3,079
Cash and cash equivalents at end of year	<u>2,949</u>	<u>11,237</u>	<u>14,186</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	431	11,655	12,086
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	505	-	505
Change in assets and liabilities:			
(Increase) decrease in receivables	102	(745)	(643)
Increase (decrease) in payables	158	873	1,031
Increase (decrease) in other liabilities	5	-	5
Increase (decrease) in advance deposits	2	-	2
Net cash provided by operating activities	<u>1,203</u>	<u>11,783</u>	<u>12,986</u>
Noncash capital donations	\$ 590	\$ -	\$ 590

The notes to the financial statements are an integral part of this statement.

DeKalb County, Georgia

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the County on a cost reimbursement basis.

The following Internal Service Funds are maintained by the County:

Vehicle Maintenance Fund - to account for operations of the County's Vehicle Maintenance Department which maintains and repairs all of the County's vehicles.

Vehicle Replacement Fund - to account for all purchases and dispositions of the County's vehicles.

Risk Management Fund - to account for all of the County's risk management related revenues and expenditures. This includes unemployment compensation insurance, group health and life insurance, general liability insurance, and worker's compensation insurance.

DeKalb County, Georgia

Internal Service Funds

Combining Statement of Net Assets

December 31, 2004
(In thousands of dollars)

	Vehicle Maintenance	Vehicle Replacement	Risk Management	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,776	\$ 44,532	\$ 8,762	\$ 55,070
Inventories and prepaid items	1,061	-	527	1,588
Total current assets	<u>2,837</u>	<u>44,532</u>	<u>9,289</u>	<u>56,658</u>
Noncurrent assets:				
Capital assets (net)	<u>1,945</u>	<u>37,668</u>	<u>-</u>	<u>39,613</u>
Total assets	<u>4,782</u>	<u>82,200</u>	<u>9,289</u>	<u>96,271</u>
LIABILITIES				
Current liabilities:				
Accounts payable	899	766	1,486	3,151
Claims and judgments payable, current portion	-	-	8,046	8,046
Obligation under capital leases, current portion	-	1,827	-	1,827
Other accrued liabilities	247	-	-	247
Total current liabilities	<u>1,146</u>	<u>2,593</u>	<u>9,532</u>	<u>13,271</u>
Noncurrent liabilities:				
Claims and judgments payable, long term portion	-	-	4,428	4,428
Obligation under capital leases, long term portion	-	1,709	-	1,709
Compensated absences payable	569	-	-	569
Total long-term liabilities	<u>569</u>	<u>1,709</u>	<u>4,428</u>	<u>6,706</u>
Total Liabilities	<u>1,715</u>	<u>4,302</u>	<u>13,960</u>	<u>19,977</u>
NET ASSETS				
Invested in capital assets	1,945	34,132	-	36,077
Unrestricted	1,122	43,766	(4,671)	40,217
Total net assets	<u>\$ 3,067</u>	<u>\$ 77,898</u>	<u>\$ (4,671)</u>	<u>\$ 76,294</u>

DeKalb County, Georgia

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

For the Year Ended December 31, 2004
(In thousands of dollars)

	Vehicle Maintenance	Vehicle Replacement	Risk Management	Totals
Operating revenues:				
Charges for services	\$ 20,965	\$ 19,559	\$ 62,552	\$ 103,076
Intergovernmental	71	-	-	71
Miscellaneous	273	-	-	273
Total operating revenues	<u>21,309</u>	<u>19,559</u>	<u>62,552</u>	<u>103,420</u>
Operating expenses:				
Salaries and employee benefits	7,065	-	-	7,065
Supplies	10,723	-	-	10,723
Operating services and charges	2,962	492	65,596	69,050
Miscellaneous	386	-	-	386
Depreciation	313	20,471	-	20,784
Total operating expenses	<u>21,449</u>	<u>20,963</u>	<u>65,596</u>	<u>108,008</u>
Operating loss	(140)	(1,404)	(3,044)	(4,588)
Other income (expense):				
Interest income	-	378	-	378
Interest expense	-	(172)	-	(172)
Loss on sale of capital assets	-	(2,563)	-	(2,563)
Loss before transfers	(140)	(3,761)	(3,044)	(6,945)
Transfers out	<u>(70)</u>	<u>-</u>	<u>-</u>	<u>(70)</u>
Change in net assets	(210)	(3,761)	(3,044)	(7,015)
Net assets (deficit) - beginning	<u>3,277</u>	<u>81,659</u>	<u>(1,627)</u>	<u>83,309</u>
Net assets (deficit) - ending	<u>\$ 3,067</u>	<u>\$ 77,898</u>	<u>\$ (4,671)</u>	<u>\$ 76,294</u>

DeKalb County, Georgia

Internal Service Funds

Combining Statement of Cash Flows

Year Ended December 31, 2004
(In thousands of dollars)

	Vehicle Maintenance	Vehicle Replacement	Risk Management	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 21,309	\$ 19,559	\$ 62,552	\$ 103,420
Cash payments to suppliers for goods and services	(13,334)	274	(62,745)	(75,805)
Cash payments to employees for services	(7,107)	-	-	(7,107)
Net cash provided (required) by operating activities	<u>868</u>	<u>19,833</u>	<u>(193)</u>	<u>20,508</u>
Cash flows from noncapital financing activities:				
Transfers (to) from other funds	(70)	-	-	(70)
Net cash required by noncapital financing activities	<u>(70)</u>	<u>-</u>	<u>-</u>	<u>(70)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(10)	(10,993)	-	(11,003)
Proceeds from sale of capital assets	-	798	-	798
Payments on leases	-	(2,348)	-	(2,348)
Net cash required by capital and related financing activities	<u>(10)</u>	<u>(12,543)</u>	<u>-</u>	<u>(12,553)</u>
Cash flows from investing activities:				
Interest on investments	-	378	-	378
Net increase in cash and cash equivalents	788	7,668	(193)	8,263
Cash and cash equivalents at beginning of year	<u>988</u>	<u>36,864</u>	<u>8,955</u>	<u>46,807</u>
Cash and cash equivalents at end of year	<u>1,776</u>	<u>44,532</u>	<u>8,762</u>	<u>55,070</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	(140)	(1,404)	(3,044)	(4,588)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	313	20,471	-	20,784
Change in assets and liabilities:				
(Increase) decrease in inventories and prepaid expenses	(147)	-	36	(111)
Increase (decrease) in payables	790	766	2,815	4,371
Increase (decrease) in other liabilities	52	-	-	52
Net cash provided by operating activities	<u>868</u>	<u>19,833</u>	<u>(193)</u>	<u>20,508</u>

DeKalb County, Georgia

Agency Funds

Tax Commissioner - to account for all real, personal, intangible, and intangible recording taxes collected and forwarded to the County and other governmental units.

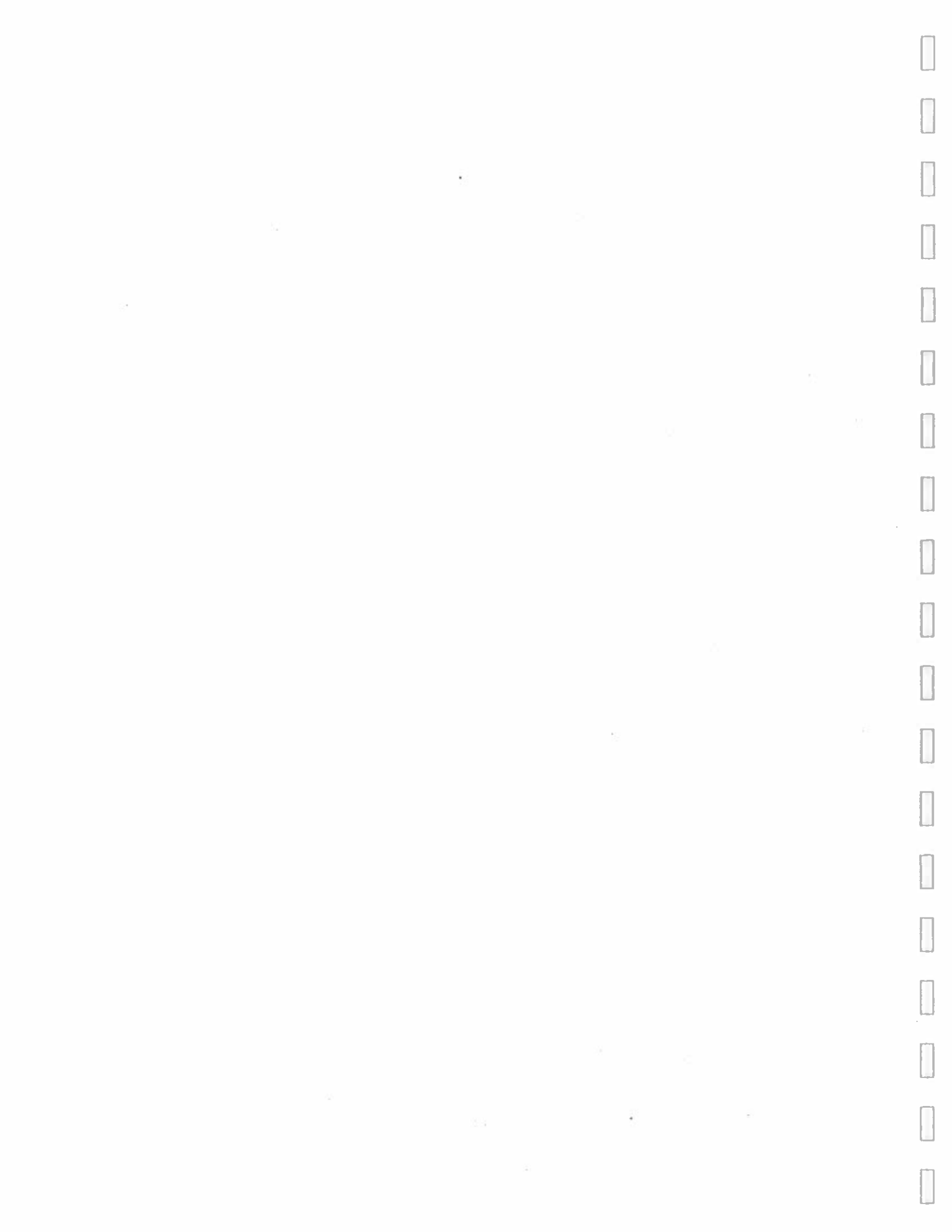
Sheriff - to account for collection fees, proceeds from judicial sales, bond forfeitures, and cash bonds, which are disbursed to other elected officials and agencies, the County, and individuals. The Sheriff also collects, maintains, and disburses monies for civil suits and minors per court order.

Seized Property - to account for monies seized by public safety during arrests. These monies are either returned to victims, the arrested party, or forfeited to the County.

The following agency funds are used to account for fines, fees, and other monies collected by the courts and remitted to other parties in accordance with court orders and state law:

Clerk of Superior Court
State Court
Juvenile Court

Probate Court
Magistrate Court
State Court Probation



Agency Funds

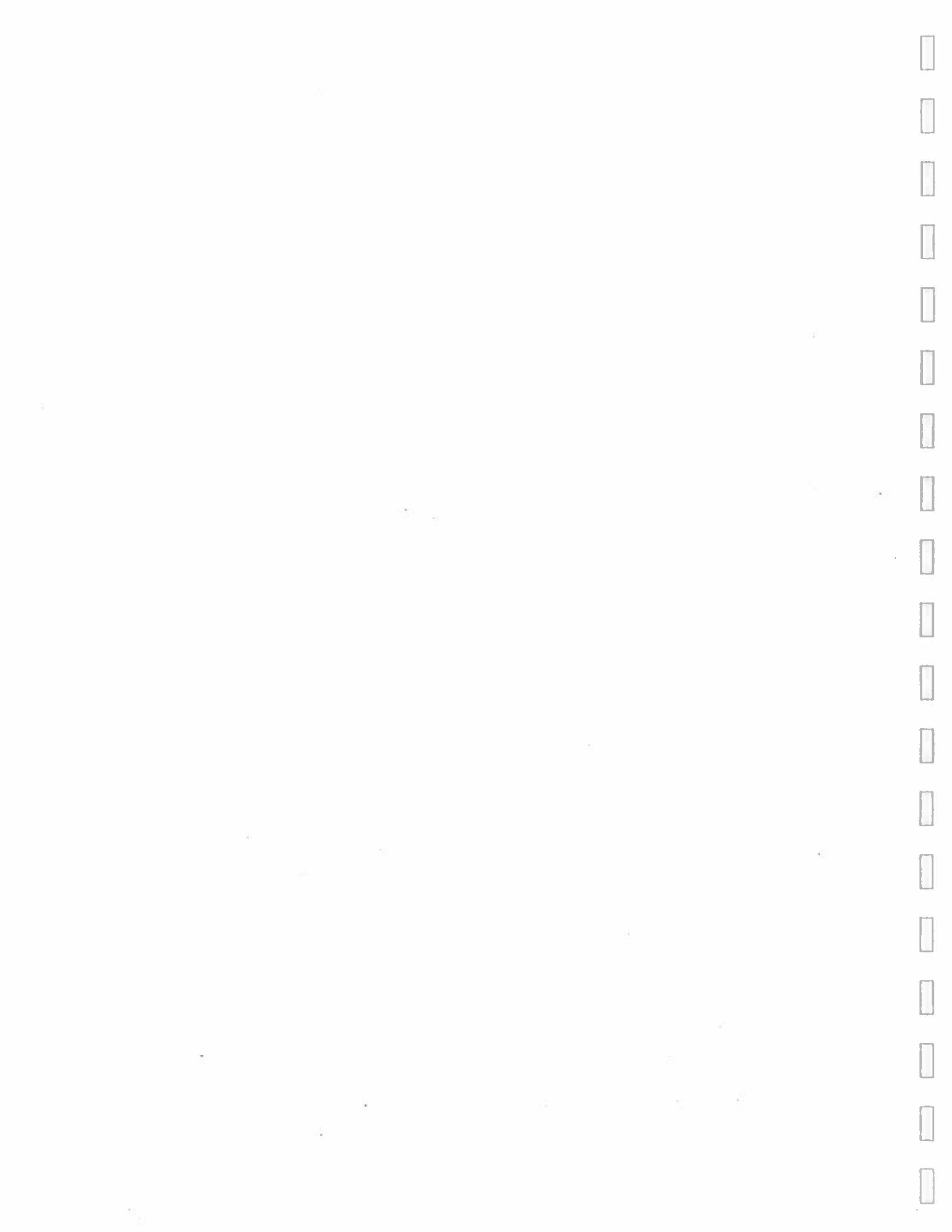
Combining Statement of Changes in Assets and Liabilities

Year Ended December 31, 2004

(In thousands of dollars)

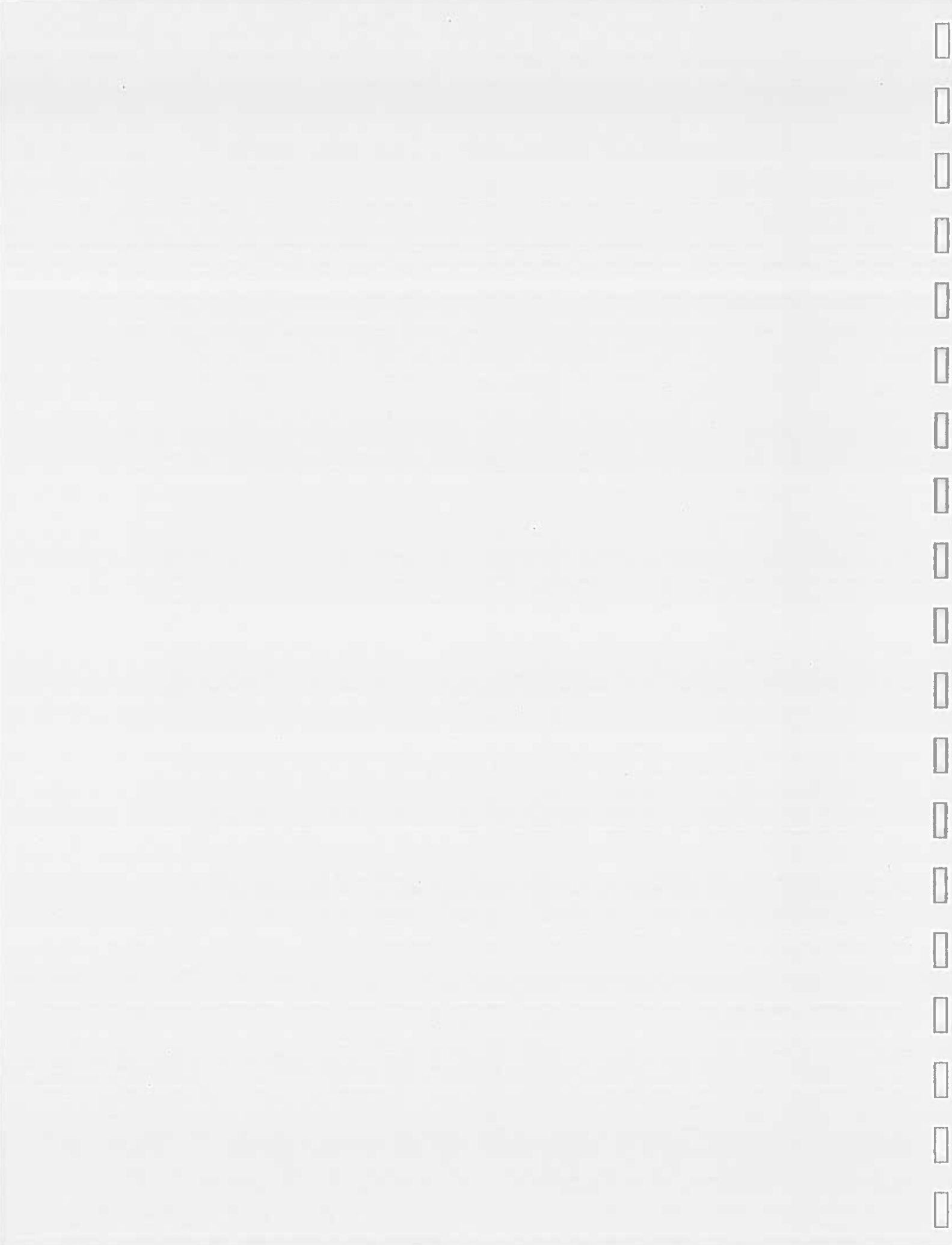
	Balance 12/31/2003	Additions	Deductions	Balance 12/31/2004
<u>TAX COMMISSIONER</u>				
ASSETS				
Cash and Cash Equivalents	\$ 17,618	\$ 814,173	\$ 817,958	\$ 13,833
Taxes Receivable	26,671	644,781	644,549	26,903
Total Assets	<u>\$ 44,289</u>	<u>\$ 1,458,954</u>	<u>\$ 1,462,507</u>	<u>\$ 40,736</u>
LIABILITIES				
Due to Others	<u>\$ 44,289</u>	<u>\$ 1,458,954</u>	<u>\$ 1,462,507</u>	<u>\$ 40,736</u>
<u>SHERIFF</u>				
ASSETS				
Cash and Cash Equivalents	<u>\$ 6,081</u>	<u>\$ 3,825</u>	<u>\$ 3,985</u>	<u>\$ 5,921</u>
LIABILITIES				
Due to Others	<u>\$ 7,613</u>	<u>\$ 3,825</u>	<u>\$ 3,985</u>	<u>\$ 5,921</u>
<u>CLERK SUPERIOR COURT</u>				
ASSETS				
Cash and Cash Equivalents	<u>\$ 2,796</u>	<u>\$ 44,849</u>	<u>\$ 41,709</u>	<u>\$ 5,936</u>
LIABILITIES				
Due to Others	<u>\$ 2,796</u>	<u>\$ 44,849</u>	<u>\$ 41,709</u>	<u>\$ 5,936</u>
<u>STATE COURT</u>				
ASSETS				
Cash and Cash Equivalents	<u>\$ 1,046</u>	<u>\$ 12,182</u>	<u>\$ 12,284</u>	<u>\$ 944</u>
LIABILITIES				
Due to Others	<u>\$ 1,046</u>	<u>\$ 12,182</u>	<u>\$ 12,284</u>	<u>\$ 944</u>
<u>JUVENILE COURT</u>				
ASSETS				
Cash and Cash Equivalents	<u>\$ 18</u>	<u>\$ 207</u>	<u>\$ 204</u>	<u>\$ 21</u>
LIABILITIES				
Due to Others	<u>\$ 18</u>	<u>\$ 207</u>	<u>\$ 204</u>	<u>\$ 21</u>

	Balance 12/31/2003	Additions	Deductions	Balance 12/31/2004
<u>PROBATE COURT</u>				
ASSETS				
Cash and Cash Equivalents	<u>\$ 319</u>	<u>\$ 1,146</u>	<u>\$ 1,180</u>	<u>\$ 285</u>
LIABILITIES				
Due to Others	<u>\$ 319</u>	<u>\$ 1,146</u>	<u>\$ 1,180</u>	<u>\$ 285</u>
<u>MAGISTRATE COURT</u>				
ASSETS				
Cash and Cash Equivalents	<u>\$ 28</u>	<u>\$ 1,097</u>	<u>\$ 1,090</u>	<u>\$ 35</u>
LIABILITIES				
Due to Others	<u>\$ 28</u>	<u>\$ 1,097</u>	<u>\$ 1,090</u>	<u>\$ 35</u>
<u>STATE COURT PROBATION</u>				
ASSETS				
Cash and Cash Equivalents	<u>\$ 2,062</u>	<u>\$ 3,190</u>	<u>\$ 3,866</u>	<u>\$ 1,386</u>
LIABILITIES				
Due to Others	<u>\$ 2,062</u>	<u>\$ 3,190</u>	<u>\$ 3,866</u>	<u>\$ 1,386</u>
<u>SEIZED PROPERTY</u>				
ASSETS				
Cash and Cash Equivalents	<u>\$ 299</u>	<u>\$ 268</u>	<u>\$ 268</u>	<u>\$ 299</u>
LIABILITIES				
Due to Others	<u>\$ 299</u>	<u>\$ 268</u>	<u>\$ 268</u>	<u>\$ 299</u>
<u>TOTALS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 30,267	\$ 880,937	\$ 882,544	\$ 28,660
Taxes Receivable	26,671	644,781	644,549	26,903
Total Assets	<u>\$ 56,938</u>	<u>\$ 1,525,718</u>	<u>\$ 1,527,093</u>	<u>\$ 55,563</u>
LIABILITIES				
Due to Others	<u>\$ 56,938</u>	<u>\$ 1,525,718</u>	<u>\$ 1,527,093</u>	<u>\$ 55,563</u>





STATISTICAL SECTION



DeKalb County, Georgia

Statistical Section (Unaudited)

Statistical tables differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These tables reflect social and economic data, financial trends, and the fiscal capacity of the government.

Comments Relative to the Statistical Section

Special Assessment Collections - Last Ten Fiscal Years. (County has had no special assessments for the past ten years related to any debt for which the County is obligated in some manner.)

DeKalb County, Georgia

General Governmental Revenues By Source and Expenditures By Function

Last Ten Years
(In thousands of dollars)

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Revenues By Source:										
Taxes	\$ 356,629	\$ 353,904	\$ 318,756	\$ 296,665	\$ 282,191	\$ 265,959	\$ 309,268	\$ 264,053	\$ 226,554	\$ 216,116
Licenses and Permits	28,432	26,833	27,625	29,385	27,686	28,254	22,163	21,257	20,396	18,138
Use of Money and Property	2,467	4,284	4,237	7,280	10,556	7,302	7,391	5,211	5,751	5,311
Intergovernmental	46,613	46,704	47,228	48,929	55,613	28,860	40,169	16,992	17,400	15,818
Fines and Forfeitures	33,674	29,311	24,162	21,571	20,171	19,277	19,155	19,474	17,835	16,247
Charges for Services	46,786	35,835	35,580	28,994	28,894	26,499	24,191	22,053	21,900	20,268
Miscellaneous	8,043	6,742	4,262	5,470	3,610	3,950	4,141	5,315	3,024	2,143
Total	<u>\$ 522,644</u>	<u>\$ 503,613</u>	<u>\$ 461,850</u>	<u>\$ 438,294</u>	<u>\$ 428,721</u>	<u>\$ 380,101</u>	<u>\$ 426,478</u>	<u>\$ 354,355</u>	<u>\$ 312,860</u>	<u>\$ 293,841</u>
Expenditures By Function:										
General Government	\$ 60,197	\$ 62,020	\$ 55,369	\$ 51,986	\$ 49,551	\$ 45,123	\$ 41,290	\$ 36,957	\$ 38,031	\$ 36,704
Public Safety	160,407	143,940	136,441	128,107	118,265	114,840	103,288	93,282	88,625	89,741
Civil and Criminal Court System	115,295	109,274	101,229	97,039	91,326	82,810	73,481	66,188	60,436	59,525
Planning	1,664	1,569	1,341	1,750	1,923	2,234	1,920	1,943	1,943	2,141
Public Works	40,858	43,605	41,107	38,346	42,459	30,063	42,757	26,075	24,430	24,984
Community Development	12,929	9,443	8,094	8,642	7,361	8,183	5,839	6,225	6,027	6,348
Parks and Recreation	18,433	17,697	19,578	18,245	16,562	15,722	14,935	14,166	13,247	13,819
Library	11,004	10,828	10,071	10,171	8,525	7,377	6,963	6,663	6,106	6,016
Health and Welfare	33,801	33,960	33,526	26,596	25,787	25,716	25,830	19,032	23,670	24,628
Miscellaneous	15,650	11,738	10,294	9,636	7,569	10,618	7,664	7,049	8,730	11,329
Debt Service	30,051	35,362	34,112	27,201	26,201	21,418	19,628	19,838	20,188	19,658
Capital Outlays	101,517	71,934	46,650	42,148	16,473	28,544	30,270	14,709	9,239	9,167
Total	<u>\$ 601,808</u>	<u>\$ 551,370</u>	<u>\$ 497,812</u>	<u>\$ 459,867</u>	<u>\$ 412,002</u>	<u>\$ 392,648</u>	<u>\$ 373,865</u>	<u>\$ 312,127</u>	<u>\$ 300,672</u>	<u>\$ 304,060</u>

General governmental revenues and expenditures include all revenues and expenditures of governmental fund types. Transfers to or from other funds are not included.

DeKalb County, Georgia

Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita

Last Ten Years

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Population (in thousands)*	695	691	686	675	666	610	599	594	590	585
Assessed Value (in millions of dollars)	\$ 22,330	\$ 21,506	\$ 20,345	\$ 18,956	\$ 17,540	\$ 15,649	\$ 14,110	\$ 13,650	\$ 12,953	\$ 12,378
Gross Bonded Debt (in thousands of dollars)	\$ 234,500	\$ 250,345	\$ 267,640	\$ 282,275	\$ 168,335	\$ 175,920	\$ 183,360	\$ 188,820	\$ 195,510	\$ 202,075
Less Reserve for General Bond Debt Service (in thousands of dollars)	13,182	10,814	14,976	17,610	12,979	12,618	12,861	13,148	12,770	12,852
Net Bonded Debt (in thousands of dollars)	\$ 221,318	\$ 239,531	\$ 252,664	\$ 264,665	\$ 155,356	\$ 163,302	\$ 170,499	\$ 175,472	\$ 182,740	\$ 189,223
Ratio of Net Bonded Debt to Assessed Value	0.0099	0.0111	0.0124	0.0140	0.0089	0.0104	0.0121	0.0129	0.0141	0.0153
Net Bonded Debt Per Capita	\$ 318.44	\$ 346.64	\$ 368.31	\$ 392.10	\$ 233.27	\$ 267.71	\$ 284.64	\$ 295.41	\$ 309.73	\$ 323.46

*Source: DeKalb County Planning Department

DeKalb County, Georgia

Ratio of Annual Debt Service For General Bonded Debt
To Total General Expenditures

Last Ten Years
(In thousands of dollars)

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
General Governmental Expenditures*	\$ 601,806	\$ 551,370	\$ 497,812	\$ 459,867	\$ 412,002	\$ 392,648	\$ 373,865	\$ 312,127	\$ 300,672	\$ 304,060
Debt Service Expenditures for General Bonded Debt**	\$ 26,140	\$ 28,495	\$ 28,318	\$ 20,866	\$ 17,029	\$ 17,177	\$ 17,306	\$ 17,454	\$ 17,443	\$ 17,119
Ratio (%) of Debt Service Expenditures to General Governmental Expenditures	4.34%	5.17%	5.69%	4.54%	4.13%	4.37%	4.63%	5.59%	5.80%	5.63%

* Includes all expenditures by governmental fund types. Transfers to other funds are not included.

** Includes all governmental funds revenue bonds and general obligation bonds expenditures.

DeKalb County, Georgia
Computation of Legal Debt Margin

December 31, 2004
(In thousands of dollars)

Assessed Value			<u>\$22,330,000</u>
Debt Limit - 10% of assessed value			2,233,000
Amount of Debt Applicable to Debt Limit:			
Total bonded debt	\$	796,735	
Less:			
General obligation bonds fund balance	\$	13,182	
Governmental activities revenue bonds		64,420	
Water and sewerage system revenue bonds		<u>497,815</u>	<u>575,417</u>
Total debt applicable to debt limit			<u>221,318</u>
Legal Debt Margin			<u>\$ 2,011,682</u>

NOTE: The constitutional debt limit for general obligation tax bonds which may be issued by the Commissioners of DeKalb County is 10% of the assessed valuation of taxable property within the County.

DeKalb County, Georgia
Computation of Direct and Overlapping Debt

December 31, 2004
(In thousands of dollars)

	Gross Debt Less Debt Retirement Funds	Percentage Debt Applicable to DeKalb County	DeKalb County's Share of Debt
DeKalb County	<u>\$ 221,318</u>	<u>100.00%</u>	<u>\$ 221,318</u>
Overlapping Debt:			
City of Atlanta (A)	290,365	2.60%	7,549
Fulton-DeKalb Hospital Authority (B)	<u>258,400</u>	<u>29.34%</u>	<u>75,815</u>
Total Overlapping Debt	<u>548,765</u>		<u>83,364</u>
Total Direct and Overlapping Debt	<u>\$ 770,083</u>		<u>304,682</u>
Total Direct and Overlapping Debt Per Capita			<u>\$ 438.33</u>

(A) Debt overlaps only property in the County which lies within city limits of Atlanta.

(B) Debt overlaps Countywide. These bonds are a closed lien on a limited tax contracted to be levied by Fulton and DeKalb Counties. The Authority has no power to levy taxes.

DeKalb County, Georgia

Property Value, Construction Activity, and Bank Deposits

Last Ten Years

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Property Value (In millions of dollars)	\$ 55,826	\$ 53,341	\$ 50,864	\$ 47,391	\$ 43,851	\$ 39,124	\$ 35,276	\$ 34,126	\$ 32,384	\$ 30,945
Construction Permits	9,115	8,785	9,283	10,051	9,530	9,331	9,363	7,159	6,361	5,546
Construction Value (In millions of dollars)	\$ 1,754	\$ 1,312	\$ 1,831	\$ 2,601	\$ 1,644	\$ 1,436	\$ 984	\$ 825	\$ 690	\$ 509
Bank Deposits (In millions of dollars)	\$ 8,223	\$ 8,553	\$ 7,916	\$ 7,876	\$ 11,107	\$ 8,392	\$ 8,186	\$ 8,390	\$ 6,590	\$ 6,365

Source: DeKalb County Development Department and Federal Reserve Bank

* Bank deposits are for fiscal years ending June 30 of the respective years.

